

TOOELE COUNTY

**Financial Statements
and
Independent Auditors' Report**

December 31, 2007

TOOELE COUNTY

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INDEPENDENT AUDITORS' REPORT

Honorable Board of County Commissioners
Tooele County, State of Utah:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of **Tooele County, State of Utah (the County)**, as of and for the year ended December 31, 2007, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Tooele County, as of December 31, 2007, and the respective changes in financial position and cash flows, where applicable, and the respective budgetary comparison for the General Fund thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 18, 2008 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 2 through 10, and the condition assessment of the County's infrastructure on pages 38 through 39, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying schedule of expenditures of federal awards, as listed in the table of contents, is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements of the County. The combining and individual nonmajor fund financial statements listed in the table of contents are presented for the purpose of additional analysis and are also not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

Haynie & Co

Salt Lake City, Utah
September 18, 2008

Management's Discussion and Analysis

This discussion of Tooele County's financial performance provides an overview of the County's financial activities for the year ending December 31, 2007. This report is in conjunction with the County's financial statements.

The purpose of the County is to provide general services to its residents, which include general government, public safety, public health, highways and public improvements, parks and recreation, and economic development. Additional services provided to residents in the unincorporated areas include road maintenance and fire control.

Financial Highlights

- ◆ The assets of Tooele County exceeded its liabilities as of the close of the most recent year by \$94,185,949 (*net assets*). Of this amount, \$9,708,045 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- ◆ The government's total net assets increased by \$1,054,727. The revenues met or exceeded the adopted budgeted amounts, and expenditures were less than the adopted budgeted amounts.
- ◆ At the close of the current year, the Tooele County governmental funds reported combined ending fund balances of \$12,270,075, a decrease of \$5,555,864 in comparison with the prior year. Approximately 77% of this total amount, \$9,388,645, is available for spending at the government's discretion (unreserved fund balance).
- ◆ At the end of the current year, unreserved fund balance for the general fund was \$5,239,358, or 31% of total general fund expenditures.
- ◆ Tooele County's total debt decreased by \$442,208 during the current year.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Tooele County's basic financial statements. Tooele County's basic financial statements comprise three components: 1) government-wide financial statements; 2) fund financial statements; and, 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of Tooele County's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of Tooele County's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of Tooele County is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of Tooele County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of Tooele County include general government, public safety, public health, highways and public improvements, parks and recreation, and economic development. The business-type activities of Tooele County include Deseret Peak, the landfill operation, and the airport.

The government-wide financial statements include not only Tooele County itself (known as the primary government), but also a legally separate special service district for recreation, for which Tooele County is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

Refer to the table of contents for the location of the government-wide financial statements.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Tooele County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Tooele County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on balance of spendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Tooele County maintains nine individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and the public health fund, which are considered to be major funds. Data from the other seven governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

Tooele County adopts an annual appropriated budget for all its governmental funds. Budgetary comparison statements have been provided for the general fund and major special revenue funds to demonstrate compliance with those budgets.

Refer to the table of contents for the location of the basic governmental fund financial statements.

Proprietary Funds

Tooele County maintains two types of proprietary funds--Enterprise funds and Internal Service funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. Tooele County uses enterprise funds to account for its Deseret Peak, landfill, and airport operations. *Internal Service funds* are presented as *governmental activities* in the government-wide financial statements and are used to account for the central stores and service equipment operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for Deseret Peak, the landfill, and the airport, which are all considered to be major funds of Tooele County.

Refer to the table of contents for the location of the basic proprietary fund financial statements.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support Tooele County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Refer to the table of contents for the location of the basic fiduciary fund financial statements.

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes are part of the basic financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning Tooele County.

The combining statements referred to earlier in connection with non-major governmental funds and the enterprise fund is presented immediately following the required supplementary information.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Tooele County, assets exceeded liabilities by \$94,185,949 at the close of the most recent fiscal year.

The largest portion of Tooele County's net assets (87%) reflects its investment in capital assets (e.g. land, buildings and improvements, furniture, fixtures, and equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. Tooele County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Tooele County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Tooele County's Net Assets

	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
Current and other assets	\$ 14,376,626	\$ 20,181,691	\$ 1,329,518	\$ 732,516	\$ 15,706,144	\$ 20,914,207
Capital assets	64,311,156	57,792,743	23,180,405	23,754,144	87,491,561	81,546,887
Total assets	<u>78,687,782</u>	<u>77,974,434</u>	<u>24,509,923</u>	<u>24,486,660</u>	<u>103,197,705</u>	<u>102,461,094</u>
Long-term liabilities outstanding	2,822,000	3,067,000	2,659,922	2,825,138	5,481,922	5,892,138
Other liabilities	2,862,102	3,111,477	667,732	326,260	3,529,834	3,437,737
Total liabilities	<u>5,684,102</u>	<u>6,178,477</u>	<u>3,327,654</u>	<u>3,151,398</u>	<u>9,011,756</u>	<u>9,329,875</u>
Net Assets:						
Invested in capital assets, net of related debt	61,203,137	54,294,413	20,356,694	20,733,225	81,559,831	75,027,638
Restricted	2,881,430	3,930,619	36,643	39,584	2,918,073	3,970,203
Unrestricted	<u>8,919,113</u>	<u>13,570,926</u>	<u>788,932</u>	<u>562,453</u>	<u>9,708,045</u>	<u>14,133,379</u>
Total net assets	<u>\$ 73,003,680</u>	<u>\$ 71,795,958</u>	<u>\$ 21,182,269</u>	<u>\$ 21,335,262</u>	<u>\$ 94,185,949</u>	<u>\$ 93,131,220</u>

A portion of Tooele County's net assets (3%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$9,708,045) may be used to meet the government's ongoing obligations to citizens and creditors.

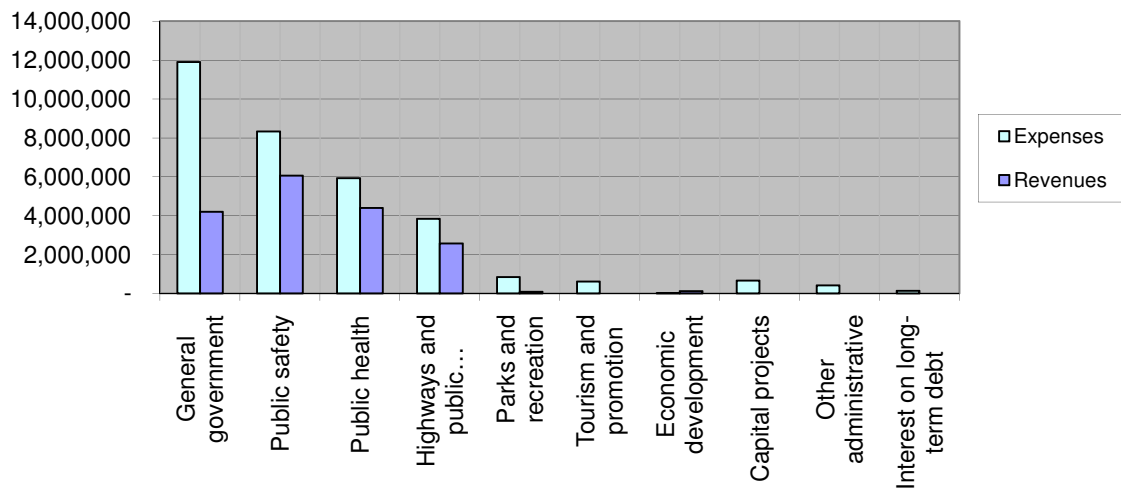
At the end of the year, Tooele County is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior year.

Governmental Activities

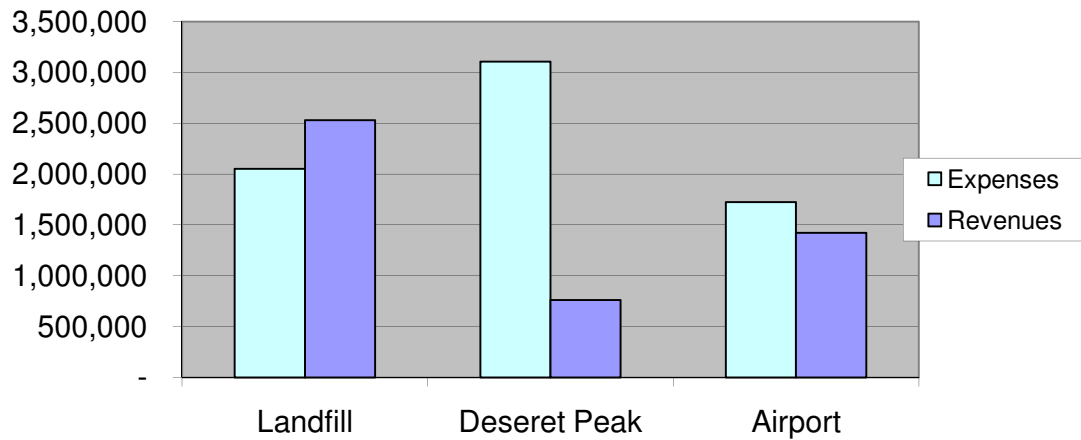
Governmental activities increased Tooele County's net assets by \$1,207,722. Key elements of this increase are as follows:

Tooele County's Changes in Net Assets						
	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
Revenues:						
Program revenues:						
Charges for services	\$ 5,784,735	\$ 4,683,126	\$ 3,742,056	\$ 3,035,991	\$ 9,526,791	\$ 7,719,117
Operating grants and contributions	11,614,201	12,263,462	224,739	152,645	11,838,940	12,416,107
Capital grants and contributions	-	2,693,001	140,190	376,842	140,190	3,069,843
General revenues:						
Property taxes	6,787,237	5,346,501	-	-	6,787,237	5,346,501
restricted to specific programs		-	-	-	-	-
Earnings on investments	811,672	1,235,867	55,055	26,019	866,727	1,261,886
Miscellaneous	10,844,170	12,143,099	549,564	532,805	11,393,734	12,675,904
Total revenues	<u>35,842,015</u>	<u>38,365,056</u>	<u>4,711,604</u>	<u>4,124,302</u>	<u>40,553,619</u>	<u>42,489,358</u>
Expenses:						
General government	11,889,166	10,241,982	-	-	11,889,166	10,241,982
Tourism and promotion	607,600	353,992	-	-	607,600	353,992
Public safety	8,316,147	8,934,197	-	-	8,316,147	8,934,197
Public health	5,914,019	5,834,334	-	-	5,914,019	5,834,334
Highways and public improvements	3,826,904	2,979,576	-	-	3,826,904	2,979,576
Parks and recreation	844,896	791,226	-	-	844,896	791,226
Economic development	14,518	51,967	-	-	14,518	51,967
Capital projects	664,343	3,500,481	-	-	664,343	3,500,481
Other administrative	413,137	416,959	-	-	413,137	416,959
Interest on long-term debt	123,563	134,632	-	-	123,563	134,632
Landfill	-	-	2,053,363	2,022,609	2,053,363	2,022,609
Deseret Peak	-	-	3,107,687	2,747,803	3,107,687	2,747,803
Airport	-	-	1,723,549	2,056,759	1,723,549	2,056,759
Total expenses	<u>32,614,293</u>	<u>33,239,346</u>	<u>6,884,599</u>	<u>6,827,171</u>	<u>39,498,892</u>	<u>40,066,517</u>
Change in net assets before transfers	3,227,722	5,125,710	(2,172,995)	(2,702,869)	1,054,727	2,422,841
Transfers in (out)	<u>(2,020,000)</u>	<u>(4,530,923)</u>	<u>2,020,000</u>	<u>4,679,500</u>	<u>-</u>	<u>148,577</u>
Change in net assets	1,207,722	594,787	(152,995)	1,976,631	1,054,727	2,571,418
Net assets - beginning	71,795,958	71,201,171	21,335,264	19,358,633	93,131,222	90,559,804
Net assets - ending	<u>\$ 73,003,680</u>	<u>\$ 71,795,958</u>	<u>\$ 21,182,269</u>	<u>\$ 21,335,264</u>	<u>\$ 94,185,949</u>	<u>\$ 93,131,222</u>

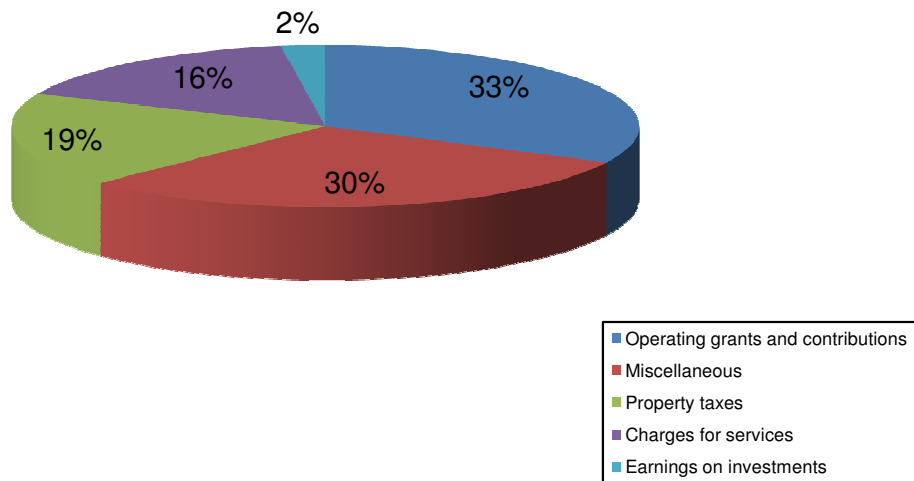
Expenses and Program Revenues - Governmental Activities



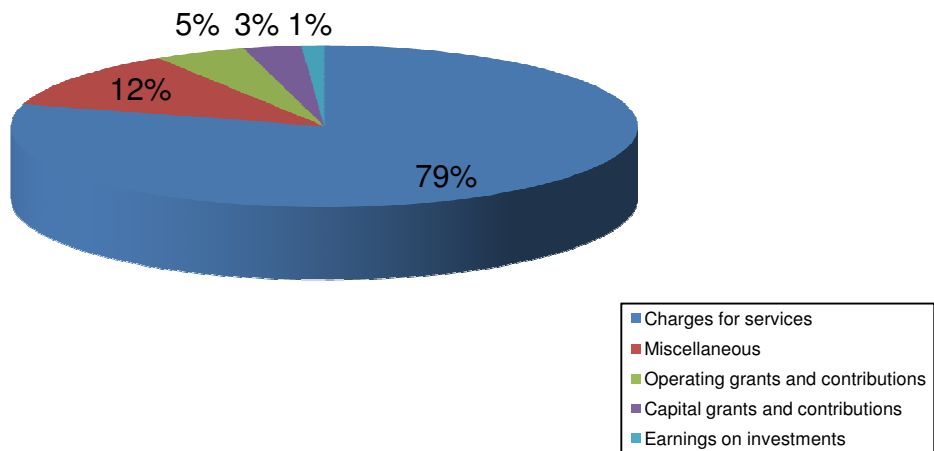
Expenses and Program Revenues - Business-Type Activities



Revenues by Source - Governmental Activities



Revenues by Source - Business-Type Activities



- ◆ Charges for services increased by \$1,101,609 due mainly to jail fees, fines, licenses and permits, and public health charges.
- ◆ Operating grants decreased by \$649,261 due mainly to a decrease in general government, road funding, public safety, and public health.
- ◆ Property tax revenues increased by \$1,440,736 due to an increase in property valuation.
- ◆ Miscellaneous revenues decreased by \$1,298,929 due to a decline in mitigation fees.

Business-type Activities

Business-type activities decreased Tooele County's net assets by \$152,995 (1% decrease). Three percent was the total increase in the government's net assets. Key elements of this increase are as follows:

- ◆ The total increase in the business-type activities is attributed to more grants/contributions and more transfers in from other funds/sources.
- ◆ The revenues met or exceeded the adopted budget amounts, and expenses were less than the adopted budget amounts.

Financial Analysis of the Government's Funds

As noted earlier, Tooele County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of Tooele County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing Tooele County's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the year.

At the end of the year, Tooele County's governmental funds reported combined ending fund balances of \$73,003,680 an increase of \$1,207,722 in comparison with the prior year. Approximately 12% of this amount (\$8,919,113) constitutes unreserved fund balance, which is available for spending at the government's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed: 1) to capital improvements (\$88,495), 2) to debt service (\$296,875), 3) to workers compensation and early retirement (\$2,457,273), and 4) to prepaid expenses (\$38,783).

The general fund is the chief operating fund of Tooele County. At the end of the current year, unreserved fund balance of the general fund was \$5,239,358, while total fund balance reached \$7,733,199. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 31% of total general fund expenditures, while total fund balance represents 45% of that same amount.

Proprietary Funds

Tooele County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the enterprise funds at the end of the year amounted to \$788,932. Other factors concerning the finances of these funds have already been addressed in the discussion of Tooele County's business-type activities.

General Fund Budgetary Highlights

Actual revenues of \$23,729,438 were less than final budgeted revenues by \$610,532. Taxes, intergovernmental revenues, and mitigation fees were below management's projections.

The final adopted budget for General Fund expenditures was \$19,551,962 in 2007, which represents a 10% decrease over the 2006 adopted budget.

Expenditures in 2007 were \$17,065,771, or approximately 13% less than the final adopted 2007 budget. Most of the under-expended amount occurred in the County's general government, public safety, and other administrative organizations.

Capital Asset and Debt Administration

Capital Assets

Tooele County's investment in capital assets for its governmental activities, as of December 31, 2007, amounts to \$64,311,156 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, furniture, fixtures, and equipment, and infrastructure, which includes roads, highways, and bridges. The total increase in Tooele County's investment in capital assets for the current year was \$6,518,413.

Major capital asset events during the current year included the following:

- ◆ Land purchases of \$1,958,588.
- ◆ Buildings and improvements additions of \$3,845,935.
- ◆ Construction in progress additions of \$209,237.
- ◆ Infrastructure additions of \$1,117,763.

Also, the County has elected to use the modified approach to account for its infrastructure assets, such as roads and bridges. That information can be found in the required supplementary information following the notes to the financial statements.

Tooele County's Capital Assets (net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
Land	\$ 7,571,047	\$ 5,612,459	\$ 1,759,620	\$ 1,759,620	\$ 9,330,667	\$ 7,372,079
Buildings and improvements	14,696,450	8,306,560	20,370,451	20,613,152	35,066,901	28,919,712
Construction in progress	209,237	2,881,510	495,120	909,602	704,357	3,791,112
Furniture, fixtures, and equipment	1,963,637	2,239,212	555,214	471,770	2,518,851	2,710,982
Infrastructure	39,870,785	38,753,002	-	-	39,870,785	38,753,002
Total	<u>\$ 64,311,156</u>	<u>\$ 57,792,743</u>	<u>\$ 23,180,405</u>	<u>\$ 23,754,144</u>	<u>\$ 87,491,561</u>	<u>\$ 81,546,887</u>

Additional information on Tooele County's capital assets can be found in the notes to the financial statements.

Long-term Debt

At the end of the current year, Tooele County had total debt outstanding of \$5,890,711. The debt represents lease revenue bonds, sales tax revenue bonds, contracts/notes payable, and capital lease obligations.

Tooele County's Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
Lease revenue bonds	\$ 622,000	\$ 767,000	\$ 1,470,711	\$ 1,544,927	\$ 2,092,711	\$ 2,311,927
Sales tax revenue bonds	2,445,000	2,545,000	1,353,000	1,437,000	3,798,000	3,982,000
Capital lease obligations	-	-	-	38,992	-	38,992
Total	<u>\$ 3,067,000</u>	<u>\$ 3,312,000</u>	<u>\$ 2,823,711</u>	<u>\$ 3,020,919</u>	<u>\$ 5,890,711</u>	<u>\$ 6,332,919</u>

State statutes limit the amount of general obligation debt a governmental entity may issue to 2% of its total fair market value of taxable property in the County. The current debt limitation for Tooele County is \$33,007,796.

Additional information on Tooele County's long-term debt can be found in the notes to the financial statements.

Economic Factors and Next Year's Budgets and Rates

- ◆ The average unemployment rate for 2007 in Tooele County was 3.1%, which is an increase from a rate of 2.6 a year ago. This is slightly higher than the State's average unemployment rate of 2.9% and lower than the national average rate of 4.6%.
- ◆ Revenue sources have remained stable.

All of these factors were considered in preparing Tooele County's budget for the 2007 and 2008 years.

Requests for Information

This financial report is designed to provide a general overview of Tooele County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report, or requests for additional financial information such as reports for component units, should be addressed to the Tooele County Auditor, 47 South Main Street, Tooele, Utah, 84074.

TOOELE COUNTY

Statement of Net Assets

December 31, 2007

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
Assets:				
Cash and investments	\$ 13,226,809	\$ 634,046	\$ 13,860,855	\$ 20,664
Receivables (net, where applicable, of allowances for estimated uncollectible amounts):				
Accounts	456,291	658,829	1,115,120	-
Taxes	-	-	-	-
Due from other governmental units	642,773	-	642,773	-
Inventories	11,970	-	11,970	-
Interfund receivables	-	-	-	-
Prepaid expenses	38,783	36,643	75,426	-
Capital assets, net of depreciation:				
Land	7,571,047	1,759,620	9,330,667	-
Buildings and improvements	14,696,450	20,370,451	35,066,901	-
Construction in progress	209,237	495,120	704,357	-
Furniture, fixtures, and equipment	1,963,637	555,214	2,518,851	-
Infrastructure	39,870,785	-	39,870,785	-
Total assets	78,687,782	24,509,923	103,197,705	20,664
Liabilities:				
Accounts payable and accrued expenses	951,866	503,943	1,455,809	-
Accrued interest payable	33,286	-	33,286	-
Due to other governmental units	471,501	-	471,501	-
Interfund payables	-	-	-	-
Accrued liability for vested Compensated absences	1,120,773	-	1,120,773	-
Long-term debt and capital lease obligations:				
Due within one year	245,000	163,789	408,789	-
Due in more than one year	2,822,000	2,659,922	5,481,922	-
Deferred revenue	39,676	-	39,676	-
Total liabilities	5,684,102	3,327,654	9,011,756	-
Net assets:				
Invested in capital assets, net of related debt	61,203,137	20,356,694	81,559,831	-
Restricted for:				
Capital improvements	88,499	-	88,499	20,664
Debt service	296,875	-	296,875	-
Workers compensation and early retirement	2,457,273	-	2,457,273	-
Prepaid expenses	38,783	36,643	75,426	-
Unrestricted	8,919,113	788,932	9,708,045	-
Total net assets	\$ 73,003,680	\$ 21,182,269	\$ 94,185,949	\$ 20,664

See accompanying notes to financial statements.

TOOELE COUNTY
Statement of Activities
For the Year Ended December 31, 2007

Functions:	Net (Expense) Revenues and Changes in Net Assets				
	Program Revenues			Primary Government	
	Expenses	Charges for Services	Operating Grants/Contributions	Capital Grants/Contributions	Component Unit
Governmental activities:					
General government	\$ 11,889,166	\$ 2,275,380	\$ 1,913,648	\$ -	\$ (7,700,138)
Tourism and promotion	607,600	-	-	-	(607,600)
Public safety	8,316,147	1,817,810	4,242,396	-	(2,255,941)
Public health	5,914,019	1,464,607	2,929,049	-	(1,520,363)
Highways and public improvements	3,826,904	142,185	2,421,608	-	(1,263,111)
Parks and recreation	844,896	76,818	-	-	(768,078)
Conservation and economic development	14,518	7,935	107,500	-	100,917
Capital projects	664,343	-	-	-	(664,343)
Other administrative	413,137	-	-	-	(413,137)
Interest on long-term debt	123,563	-	-	-	(123,563)
Total governmental activities	32,614,293	5,784,735	11,614,201	-	(15,215,357)
Business-type activities:					
Solid waste	2,053,363	2,408,367	88,600	-	443,604
Deseret Peak	3,107,687	601,579	-	-	(2,506,108)
Airport	1,723,549	732,110	136,139	140,190	(715,110)
Total business-type activities	6,884,599	3,742,056	224,739	140,190	(2,777,614)
Total primary government	\$ 39,498,892	\$ 9,526,791	\$ 11,838,940	\$ 140,190	(17,992,971)
Component unit:					
Recreation district	\$ 192,232	\$ 150,000	\$ 57,106	\$ -	14,874
Total component unit	\$ 192,232	\$ 150,000	\$ 57,106	\$ -	14,874
General revenues:					
Property taxes	6,787,237	-	-	-	6,787,237
Earnings on investments	900,355	38,344	-	-	938,699
Gain on sale of capital assets	(88,683)	16,711	-	-	(71,972)
Miscellaneous	10,844,170	549,564	-	-	11,393,734
Transfers	(2,020,000)	2,020,000	-	-	-
Total general revenues and transfers	16,423,079	2,624,619	-	-	19,047,698
Change in net assets	1,207,722	(152,995)	1,054,727	-	16,874
Net assets - beginning	71,795,958	21,335,264	93,131,222	-	3,790
Net assets - ending	\$ 73,003,680	\$ 21,182,269	\$ 94,185,949	\$ -	\$ 20,664

TOOELE COUNTY
Balance Sheet - Governmental Funds
December 31, 2007

	General	Municipal Services	Capital Projects	Other Governmental Funds	Total Governmental Funds
<u>ASSETS</u>					
Cash and investments	\$ 7,564,510	\$ 1,686,779	\$ 204,844	\$ 3,071,712	\$ 12,527,845
Receivables:					
Accounts	411,709	23,069	-	21,513	456,291
Taxes	-	-	-	-	-
Due from other governmental units	534,800	640	-	107,333	642,773
Due from other funds	-	-	-	-	-
Inventory	-	-	-	-	-
Prepaid expenses	36,568	-	-	2,215	38,783
Total assets	\$ 8,547,587	\$ 1,710,488	\$ 204,844	\$ 3,202,773	\$ 13,665,692
<u>LIABILITIES AND FUND EQUITY</u>					
Liabilities:					
Accounts payable and accrued expenses	\$ 342,887	\$ 80,355	\$ 116,345	\$ 344,853	\$ 884,440
Due to other funds	-	-	-	-	-
Due to other governmental units	471,501	-	-	-	471,501
Deferred revenue	-	-	-	39,676	39,676
Total liabilities	814,388	80,355	116,345	384,529	1,395,617
Fund equity:					
Fund balance:					
Reserved	2,493,841	-	88,499	299,090	2,881,430
Unreserved	5,239,358	1,630,133	-	2,519,154	9,388,645
Total fund equity	7,733,199	1,630,133	88,499	2,818,244	12,270,075
Total liabilities and fund equity	\$ 8,547,587	\$ 1,710,488	\$ 204,844	\$ 3,202,773	\$ 13,665,692

TOOELE COUNTY
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Assets
December 31, 2007

Total Fund Balances - Governmental Funds \$ 12,270,075

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. 64,311,156

Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of those internal service funds that primarily benefit governmental entities are included with governmental activities in the statement of net assets. 643,508

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. (4,221,059)

Total Net Assets - Governmental Activities \$ 73,003,680

TOOELE COUNTY
Statement of Revenues, Expenditures, and Changes
in Fund Balances - Governmental Funds
For the Year Ended December 31, 2007

	Major Funds			Other	Total
	General	Municipal Services	Capital Projects	Governmental Funds	Governmental Funds
REVENUES:					
Taxes	\$ 4,566,138	\$ 1,608,257	\$ -	\$ 612,842	\$ 6,787,237
Licenses and permits	14,250	940,490	-	-	954,740
Intergovernmental revenues	5,524,210	1,000,000	436,250	5,204,721	12,165,181
Charges for services	1,615,097	6,145	-	1,501,663	3,122,905
Fines and forfeitures	725,531	-	-	-	725,531
Interest on investments	681,895	69,246	-	124,879	876,020
Mitigation fees	9,259,408	-	-	-	9,259,408
Other	1,342,909	-	-	156,864	1,499,773
Total revenues	23,729,438	3,624,138	436,250	7,600,969	35,390,795
EXPENDITURES:					
General government	7,655,692	3,674,040	-	-	11,329,732
Tourism and promotion	-	-	-	591,782	591,782
Public safety	8,099,654	-	-	-	8,099,654
Public health and human services	-	-	-	5,760,060	5,760,060
Highways and public improvements	155,521	-	-	3,571,758	3,727,279
Parks and recreation	822,901	-	-	-	822,901
Conservation and economic development	14,140	-	-	-	14,140
Capital projects	-	-	7,891,100	-	7,891,100
Other administrative	317,863	-	-	-	317,863
Debt service:					
Principal retirement	-	-	100,000	145,000	245,000
Interest and fiscal charges	-	-	103,578	23,570	127,148
Total expenditures	17,065,771	3,674,040	8,094,678	10,092,170	38,926,659
Excess of revenues over (under) expenditures	6,663,667	(49,902)	(7,658,428)	(2,491,201)	(3,535,864)
Other financing sources (uses):					
Operating transfers in	323,528	-	6,680,000	2,138,637	9,142,165
Operating transfers (out)	(11,162,165)	-	-	-	(11,162,165)
Proceeds on sale of assets	-	-	-	-	-
Proceeds of issuance of long-term debt	-	-	-	-	-
Total other financing sources (uses)	(10,838,637)	-	6,680,000	2,138,637	(2,020,000)
Net change in fund balance	(4,174,970)	(49,902)	(978,428)	(352,564)	(5,555,864)
Fund balance, beginning of year	11,908,169	1,680,035	1,066,927	3,170,808	17,825,939
Fund balance, end of year	\$ 7,733,199	\$ 1,630,133	\$ 88,499	\$ 2,818,244	\$ 12,270,075

TOOELE COUNTY

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities For the Year Ended December 31, 2007

Amounts reported for governmental activities in the statement of activities are different because:

Net Change in Fund Balances - Total Governmental Funds \$ (5,555,864)

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

6,438,552

Loss on sale of capital assets

(88,683)

The liability for compensated absences is not recorded in the governmental funds, but is reported in the statement of net assets. This is the current year change in the liability, reported as an expense in the statement of activities.

(26,816)

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt and related items.

245,000

Some expenses (accrued interest on long-term debt) reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

3,582

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.

191,951

Change in Net Assets of Governmental Activities

\$ 1,207,722

TOOELE COUNTY

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund For the Year Ended December 31, 2007

	Budgeted Amounts			Variance
	Original	Final	Actual	Favorable (Unfavorable)
Revenues:				
Taxes	\$ 4,739,000	\$ 4,739,000	\$ 4,566,138	\$ (172,862)
Licenses and permits	12,000	14,500	14,250	(250)
Intergovernmental revenues	6,584,470	6,584,470	5,524,210	(1,060,260)
Charges for services	1,331,000	1,641,000	1,615,097	(25,903)
Fines and forfeitures	720,000	795,000	725,531	(69,469)
Interest on investments	300,000	700,000	681,895	(18,105)
Mitigation fees	8,850,000	8,850,000	9,259,408	409,408
Other	356,000	1,016,000	1,342,909	326,909
Total revenues	<u>22,892,470</u>	<u>24,339,970</u>	<u>23,729,438</u>	<u>(610,532)</u>
Expenditures:				
General government	7,762,180	8,050,180	7,655,692	394,488
Public safety	9,875,893	9,788,893	8,099,654	1,689,239
Highways and public improvements	358,690	208,690	155,521	53,169
Parks and recreation	873,219	898,219	822,901	75,318
Conservation and economic development	42,000	42,000	14,140	27,860
Other administrative	564,000	564,000	317,863	246,137
Total expenditures	<u>19,475,982</u>	<u>19,551,982</u>	<u>17,065,771</u>	<u>2,486,211</u>
Excess of revenues over (under) expenditures	<u>3,416,488</u>	<u>4,787,988</u>	<u>6,663,667</u>	<u>1,875,679</u>
Other financing sources (uses):				
Operating transfers in	8,221,500	6,850,000	323,528	(6,526,472)
Operating transfers (out)	(11,637,988)	(11,637,988)	(11,162,165)	475,823
Total other financing sources (uses)	<u>(3,416,488)</u>	<u>(4,787,988)</u>	<u>(10,838,637)</u>	<u>(6,050,649)</u>
Net change in fund balance	-	-	(4,174,970)	(4,174,970)
Fund balance, beginning of year	<u>11,908,169</u>	<u>11,908,169</u>	<u>11,908,169</u>	-
Fund balance, end of year	<u>\$ 11,908,169</u>	<u>\$ 11,908,169</u>	<u>\$ 7,733,199</u>	<u>\$ (4,174,970)</u>

TOOELE COUNTY

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Municipal Services Fund For the Year Ended December 31, 2007

	Budgeted Amounts			Variance Favorable (Unfavorable)
	Original	Final	Actual	
Revenues:				
Taxes	\$ 1,400,000	\$ 1,620,000	\$ 1,608,257	\$ (11,743)
Licenses and permits	901,000	941,000	940,490	(510)
Intergovernmental revenues	1,000,000	1,000,000	1,000,000	-
Charges for services	6,000	7,000	6,145	(855)
Interest on investments	-	70,000	69,246	(754)
Total revenues	<u>3,307,000</u>	<u>3,638,000</u>	<u>3,624,138</u>	<u>(13,862)</u>
Expenditures:				
General government	<u>3,649,218</u>	<u>3,819,218</u>	<u>3,674,040</u>	<u>145,178</u>
Total expenditures	<u>3,649,218</u>	<u>3,819,218</u>	<u>3,674,040</u>	<u>145,178</u>
Excess of revenues over (under) expenditures	<u>(342,218)</u>	<u>(181,218)</u>	<u>(49,902)</u>	<u>131,316</u>
Other financing sources (uses):				
Operating transfers in	342,218	181,218	-	(181,218)
Operating transfers (out)	-	-	-	-
Total other financing sources (uses)	<u>342,218</u>	<u>181,218</u>	<u>-</u>	<u>(181,218)</u>
Net change in fund balance	-	-	(49,902)	(49,902)
Fund balance, beginning of year	<u>1,680,035</u>	<u>1,680,035</u>	<u>1,680,035</u>	<u>-</u>
Fund balance, end of year	<u>\$ 1,680,035</u>	<u>\$ 1,680,035</u>	<u>\$ 1,630,133</u>	<u>\$ (49,902)</u>

TOOELE COUNTY

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Capital Projects For the Year Ended December 31, 2007

	Budgeted Amounts			Variance Favorable (Unfavorable)
	Original	Final	Actual	
Revenues:				
Taxes	\$ 76,132	\$ 76,132	\$ -	(76,132)
Intergovernmental revenues			436,250	436,250
Interest on investments	<u>20,000</u>	<u>20,000</u>	<u>-</u>	<u>(20,000)</u>
Total revenues	<u>96,132</u>	<u>96,132</u>	<u>436,250</u>	<u>340,118</u>
Expenditures:				
Capital projects	8,775,000	8,775,000	7,891,100	883,900
Debt service				
Principal retirement	100,000	100,000	100,000	-
Interest and fiscal charges	<u>103,578</u>	<u>103,578</u>	<u>103,578</u>	<u>-</u>
Total expenditures	<u>8,978,578</u>	<u>8,978,578</u>	<u>8,094,678</u>	<u>883,900</u>
Excess of revenues over (under) expenditures	<u>(8,882,446)</u>	<u>(8,882,446)</u>	<u>(7,658,428)</u>	<u>1,224,018</u>
Other financing sources (uses):				
Operating transfers in	8,882,446	8,882,446	6,680,000	(2,202,446)
Operating transfers (out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>8,882,446</u>	<u>8,882,446</u>	<u>6,680,000</u>	<u>(2,202,446)</u>
Net change in fund balance	-	-	(978,428)	(978,428)
Fund balance, beginning of year	<u>1,066,927</u>	<u>1,066,927</u>	<u>1,066,927</u>	<u>-</u>
Fund balance, end of year	<u>\$ 1,066,927</u>	<u>\$ 1,066,927</u>	<u>\$ 88,499</u>	<u>\$ (978,428)</u>

TOOELE COUNTY
Statement of Net Assets - Proprietary Funds
December 31, 2007

	Business-Type Activities - Enterprise Funds				Governmental
	Solid Waste Fund	Deseret Peak Fund	Airport Fund	Total Enterprise Funds	Internal Service Funds
Assets:					
Cash and investments	\$ 628,967	\$ 4,063	\$ 1,016	\$ 634,046	\$ 698,964
Accounts receivable, net	401,482	25,114	232,233	658,829	-
Due from other governments	-	-	-	-	-
Inventories	-	-	-	-	11,970
Prepaid expenses	600	36,043	-	36,643	-
Property, plant, and equipment, net	1,124,312	16,785,996	5,270,097	23,180,405	1,113,040
Total assets	<u>2,155,361</u>	<u>16,851,216</u>	<u>5,503,346</u>	<u>24,509,923</u>	<u>1,823,974</u>
Liabilities:					
Accounts payable	89,982	134,684	279,277	503,943	67,426
Due to other funds	-	-	-	-	-
Long-term debt	-	1,353,000	1,470,711	2,823,711	-
Total liabilities	<u>89,982</u>	<u>1,487,684</u>	<u>1,749,988</u>	<u>3,327,654</u>	<u>67,426</u>
Net Assets:					
Invested in capital assets, net of related d	1,124,312	15,432,996	3,799,386	20,356,694	1,113,040
Restricted	600	36,043	-	36,643	-
Unrestricted	940,467	(105,507)	(46,028)	788,932	643,508
Total net assets	<u>2,065,379</u>	<u>15,363,532</u>	<u>3,753,358</u>	<u>21,182,269</u>	<u>1,756,548</u>
Total liabilities and net assets	<u>\$ 2,155,361</u>	<u>\$ 16,851,216</u>	<u>\$ 5,503,346</u>	<u>\$ 24,509,923</u>	<u>\$ 1,823,974</u>

TOOELE COUNTY
Statement of Revenues, Expenses, and Changes in Fund Net Assets - Propriety Funds
For the Year Ended December 31, 2007

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Solid Waste Fund	Deseret Peak Fund	Airport Fund	Total Enterprise Funds	
Operating revenues:					
Service charges	\$ 2,408,367	\$ 601,579	\$ 732,110	\$ 3,742,056	\$ -
Intergovernmental revenue	88,600	-	136,139	224,739	-
Interfund lease payments	-	-	-	-	430,579
Sale of supplies	-	-	-	-	84,989
Other revenue	-	152,841	396,723	549,564	-
Total operating revenues	<u>2,496,967</u>	<u>754,420</u>	<u>1,264,972</u>	<u>4,516,359</u>	<u>515,568</u>
Operating expenses:					
Solid waste facility	1,930,918	-	-	1,930,918	-
Deseret Peak	-	2,188,327	-	2,188,327	-
Airport	-	-	1,255,703	1,255,703	-
General and administrative	-	-	-	-	86,777
Depreciation	122,445	919,360	413,676	1,455,481	261,175
Total operating expenses	<u>2,053,363</u>	<u>3,107,687</u>	<u>1,669,379</u>	<u>6,830,429</u>	<u>347,952</u>
Operating income (loss)	<u>443,604</u>	<u>(2,353,267)</u>	<u>(404,407)</u>	<u>(2,314,070)</u>	<u>167,616</u>
Other financing sources:					
Operating transfers in/(out)	-	1,640,000	380,000	2,020,000	-
Total other financing sources	<u>-</u>	<u>1,640,000</u>	<u>380,000</u>	<u>2,020,000</u>	<u>-</u>
Non-operating revenues (expenses):					
Federal and state grants	-	-	140,190	140,190	-
Interest on investments	18,790	6,087	13,467	38,344	24,335
Sale of fixed assets	13,511	-	3,200	16,711	-
Interest and other charges	-	-	(54,170)	(54,170)	-
Total non-operating revenues (expenses)	<u>32,301</u>	<u>6,087</u>	<u>102,687</u>	<u>141,075</u>	<u>24,335</u>
Change in net assets	<u>475,905</u>	<u>(707,180)</u>	<u>78,280</u>	<u>(152,995)</u>	<u>191,951</u>
Net assets -- beginning of year	<u>1,589,474</u>	<u>16,070,712</u>	<u>3,675,078</u>	<u>21,335,264</u>	<u>1,564,597</u>
Net assets -- end of year	<u>\$ 2,065,379</u>	<u>\$ 15,363,532</u>	<u>\$ 3,753,358</u>	<u>\$ 21,182,269</u>	<u>\$ 1,756,548</u>

TOOELE COUNTY

Statement of Cash Flows - Proprietary Funds
For the Fiscal Year Ended December 31, 2007

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Solid Waste Fund	Deseret Peak Fund	Airport Fund	Total Enterprise Funds	
Cash flows from operating activities:					
Receipts from customers and users	\$ 2,300,141	\$ 577,997	\$ 580,254	\$ 3,458,392	\$ -
Receipts from other governments	88,600	-	136,139	224,739	-
Receipts from interfund leases	-	-	-	-	430,579
Receipts from sale of supplies	-	-	-	-	83,653
Receipts of miscellaneous income	-	152,841	396,723	549,564	-
Payments for solid waste operations	(1,876,482)	-	-	(1,876,482)	-
Payments for Deseret Peak operations	-	(2,110,663)	-	(2,110,663)	-
Payments for airport operations	-	-	(1,011,398)	(1,011,398)	-
Payments for administration	-	-	-	-	(71,000)
Net cash provided (used) by operating activities	<u>512,259</u>	<u>(1,379,825)</u>	<u>101,718</u>	<u>(765,848)</u>	<u>443,232</u>
Cash flows from noncapital financing activities:					
Operating transfers in	-	1,640,000	380,000	2,020,000	-
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>1,640,000</u>	<u>380,000</u>	<u>2,020,000</u>	<u>-</u>
Cash flows from capital and related financing activities:					
Purchase/disposal of capital assets	(108,396)	(253,998)	(519,346)	(881,740)	(565,004)
Proceeds from sale of capital assets	13,511	-	3,200	16,711	-
Proceeds from federal and state grants	-	-	140,190	140,190	-
Proceeds from issuance of bonds	-	-	-	-	-
Payment of bond principal	-	(122,992)	(74,216)	(197,208)	-
Interest paid	-	-	(54,170)	(54,170)	-
Net cash provided (used) by capital and related financing activities	<u>(94,885)</u>	<u>(376,990)</u>	<u>(504,342)</u>	<u>(976,217)</u>	<u>(565,004)</u>
Cash flows from investing activities:					
Interest income on investments	18,790	6,087	13,467	38,344	24,335
Net cash provided (used) by investing activities	<u>18,790</u>	<u>6,087</u>	<u>13,467</u>	<u>38,344</u>	<u>24,335</u>
Net increase (decrease) in cash and cash equivalents	436,164	(110,728)	(9,157)	316,279	(97,437)
Cash and cash equivalents, beginning of year	<u>192,803</u>	<u>114,791</u>	<u>10,173</u>	<u>317,767</u>	<u>661,113</u>
Cash and cash equivalents, end of year	<u>\$ 628,967</u>	<u>\$ 4,063</u>	<u>\$ 1,016</u>	<u>\$ 634,046</u>	<u>\$ 563,676</u>
Reconciliation of total operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ 443,604	\$ (2,353,267)	\$ (404,407)	\$ (2,314,070)	\$ 167,616
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation and amortization	122,445	919,360	413,676	1,455,481	261,175
Changes in assets and liabilities:					
(Increase) decrease in assets:					
Accounts receivable, net	(108,226)	(23,582)	(151,856)	(283,664)	-
Prepaid expenses	-	2,941	-	2,941	-
Inventories	-	-	-	-	(1,336)
Increase (decrease) in liabilities:					
Accounts payable	54,436	74,723	244,305	373,464	15,777
Due to other funds	-	-	-	-	-
Net cash provided (used) by operating activities	<u>\$ 512,259</u>	<u>\$ (1,379,825)</u>	<u>\$ 101,718</u>	<u>\$ (765,848)</u>	<u>\$ 443,232</u>
Supplemental disclosures:					
Contributed capital from federal / state grants	\$ -	\$ -	\$ 140,190	\$ 140,190	\$ -
Total contributed capital	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 140,190</u>	<u>\$ 140,190</u>	<u>\$ -</u>

TOOELE COUNTY
Statement of Fiduciary Net Assets
Agency Funds
December 31, 2007

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash and investments	\$ 22,023,651
Accounts receivable	13,891
Taxes receivable	1,784,521
Due from other funds	<u>-</u>
Total assets	<u>\$ 23,822,063</u>
<u>LIABILITIES</u>	
Accounts payable	\$ 75,762
Due to other governmental units	21,862,069
Court and other trust deposits	1,884,232
Due to other funds	<u>-</u>
Total liabilities	<u>\$ 23,822,063</u>

TOOELE COUNTY

Notes to Financial Statements

1. REPORTING ENTITY AND ITS GOVERNMENT ACTIVITY

Tooele County (State of Utah) (the County) was organized on January 31, 1850, under a commission form of government. The County has a total land area of 6,923 square miles and a population of approximately 50,000 residents. The County's major operations include public safety (police and fire), highways and roads, health and social services, culture-recreation, education, public improvements, planning and zoning, and general administrative services. The County's fiscal authority includes responsibility for final approval over budgeting appropriations, for funding deficits and operating deficiencies, disposal of surplus funds, control over the collection and disbursement of funds, and maintenance of title to assets. The financial statements include the various departments, agencies, and other organizational units governed by the County Commission.

Discrete Component Unit - The financial statements include a component unit (Tooele County Recreation Special Service District). The component unit included in this report was selected using positive criteria as defined by the Governmental Accounting Standards Board. The component unit was included due to the County's ability to significantly influence operations, fiscal accountability, and the scope of public service.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Tooele County is presented to assist in understanding the County's financial statements. The financial statements and notes are representations of County officials who are responsible for their integrity and objectivity. The accounting policies of Tooele County conform to accounting principles generally accepted in the United States of America as applicable to governments and have been consistently applied in the preparation of the financial statements.

Government-Wide and Fund Financial Statements

The *government-wide financial statements* (i.e., statement of net assets and statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements to minimize the double-counting of internal activities. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Depreciation expense for capital assets that can specifically be identified with a function are included in its direct expenses. Depreciation expense for "shared" capital assets are ratably included in the direct expenses of the appropriate functions. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Interest on general long-term liabilities is considered an indirect expense and is reported in the statement of activities as a separate line.

Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The *fund financial statements* provide information about the County's funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major, individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor funds.

TOOELE COUNTY
Notes to Financial Statements (Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements (continued)

The County reports the following funds:

Governmental Fund Types - These are the funds through which most governmental functions typically are financed. The acquisition, use, and balances of the County's expendable financial resources and the related current liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds. The funds included in this category are as follows:

General Fund - The General Fund is the general operating fund of the County. It is used to account for all financial resources covering the general services that the County performs for its citizens, except those required to be accounted for in other funds. This fund includes activities of the Payroll Fund.

Special Revenue Funds - These funds are established for the purpose of specific sources other than special assessments, trusts, or major capital projects that are legally restricted to expenditures for specified purposes.

Debt Service Fund - The Debt Service Fund is established for the purpose of accumulating resources for the payment of interest and principal on long-term general obligation debt, other than those payable from Enterprise Funds.

Capital Projects Funds - Capital Projects Funds are used to account for costs of construction and related funding sources other than those financed by proprietary funds and trust funds. Capital improvements are authorized by capital budget ordinances. Projects are funded by General Obligation bonds, Lease Revenue bonds, pay-as-you-go appropriations, and participation by developers, property owners, the State of Utah, and the Federal Government.

Proprietary Fund Types - Proprietary Funds account for operations that are organized to be self-supporting through user charges. The funds included in this category are the Enterprise Funds and the Internal Service Funds.

Enterprise Funds - These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The Enterprise Funds include the Solid Waste Management Facility, Deseret Peak, and the Airport.

Internal Service Funds - These funds are used to account for the financing of goods or services provided by one department to other departments of the County on a cost-reimbursement basis. The County has an Internal Equipment Service Fund and a Central Stores Fund that are operated in this manner.

Fiduciary Fund Types - These funds account for assets held by the County as a trustee or agent for individuals, private organizations, and other units of governments. These funds are as follows:

Agency Funds - Agency Funds are used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. The Auditor's Trust is used to collect and disburse funds for various governmental entities. The Treasurer's Trust is used to collect and disburse the taxing funds to the taxing entities.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The *government-wide, proprietary fund, and fiduciary fund financial statements* are reported using the economic resources measurement focus and accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Nonexchange transactions, in which the County receives value without directly giving equal value in exchange, include property taxes, grants, and donations. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

The use of financial resources to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as an expenditure. Proceeds of long-term debt are recorded as a liability in the government-wide financial statements, rather than as an other financing source. Amounts paid to reduce long-term debt of the County are reported as a reduction of the related liability, rather than an expenditure in the government-wide financial statements.

TOOELE COUNTY
Notes to Financial Statements (Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, Tooele County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items (licenses and permits, charges for services, fines and forfeitures, etc.) are considered to be measurable and available only when cash is received by the government.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in the governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 20, the County applies all Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, except those that conflict with or contradict GASB pronouncements. Those FASB statements and interpretations issued subsequent to November 30, 1989, are not applied.

Budget and Budgetary Accounting

Budgets for the General and Debt Service Funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual budgets are prepared and adopted by the County Commission on or before December 15, for the fiscal year commencing the following January 1, in accordance with State law. The operation budget includes proposed expenditures and the proposed sources of financing for such expenditures. Prior to December 15, a public hearing is conducted to obtain taxpayer input. Budgets are adopted and control of budget appropriations is exercised, under State law, at the department level. Budget amendments are required to increase expenditure budgets. The budgets presented in the financial statements are as amended as of December 11, 2007.

The General Fund budget is prepared using the modified accrual basis of accounting. Budgets for the Special Revenue Funds and Capital Projects Funds are also prepared using the modified accrual basis of accounting. Budgets for the Proprietary Fund types are prepared using the accrual basis of accounting, except that depreciation for all Proprietary Fund types was not budgeted.

Cash Equivalents

Cash equivalents are short-term, highly liquid investments with original maturities to the County of 90 days or less.

Investments

Investments are stated at cost or amortized cost, which approximates market.

Short-Term Interfund Receivables/Payables

During the course of operations, transactions occur that result in amounts owed to a particular fund by another fund, other than for goods provided or services rendered. These receivables and payables are due within a year and are classified as "due from or to other funds" on the balance sheet.

Inventories

Inventories of the Internal Service Funds (Central Stores Fund) and of the Special Revenue Funds (Aging and Adult Services Fund) are stated at cost on the first-in, first-out basis.

TOOELE COUNTY
Notes to Financial Statements (Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, curbs, gutters, streets, sidewalks, drainage systems, lighting systems, and similar items) are reported in the applicable governmental or business-type columns in the government-wide financial statements. The County defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Purchased or constructed capital assets, including interest costs during construction, are reported at cost or estimated historical cost. Donated capital assets are recorded at estimated fair value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

Depreciation of exhaustible capital assets is charged as an expense against operations, and accumulated depreciation is reported on the balance sheets. Depreciation has been provided using the straight-line method of depreciation over the following estimated useful lives:

Buildings	40 years
Improvements other than buildings	10-20 years
Machinery and equipment	7 years
Automobiles and trucks	3-7 years
Office furniture and equipment	3-5 years

When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in income for the period.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, if any, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. Contributed capital is recorded in proprietary funds that have received capital grants or contributions from developers, customers, other governments, or other funds.

Compensated Absences

For governmental funds, amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported as liabilities in the government-wide statement of net assets and as expenses in the government-wide statement of activities. No expenditures are reported for these amounts in the fund financial statements. Vested or accumulated unpaid vacation pay of proprietary funds is recorded as an expense and a liability of those funds as the benefits accrue to the employees and are thus recorded in both the government-wide financial statements and the individual fund financial statements. Sick pay, which does not vest, is recorded as an expense in all funds when leave is taken.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the government to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

TOOELE COUNTY
Notes to Financial Statements (Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Comparative Data

Comparative data for the prior year has been presented in certain sections of the accompanying financial statements in order to provide an understanding of changes in the County's financial position and operation. However, comparative (i.e., presentation of prior year totals by fund type) data have not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

Concentration of Credit Risk

The County received about 25% of its governmental fund revenue from mitigation fees amounting to \$9,259,408. The mitigation fees are received from three sources. Accounts receivable from these sources totaled \$0 at December 31, 2007.

Capital Leases

The County has acquired certain assets under leases that are required by accounting principles generally accepted in the United States of America to be accounted for as capital leases. A capital lease is a lease that results in the lessee (the County) obtaining financing for the purchase of the leased assets. The present value of the lease payments, at inception of the leases, is recorded as a liability (see Note 8). This liability is reduced each year by the portion of lease payments representing principal, not interest. The cost of leased assets in the Enterprise Fund is amortized over the life of the assets and the amortization expense is included with depreciation expense.

3. CASH AND CASH EQUIVALENTS

The State of Utah Money Management Council has the responsibility to advise the State Treasurer's about investment policies, promote measures and rules that will assist in strengthening the banking and credit structure of the State, and review the rules adopted under the authority of the State of Utah Money Management Act that relate to the deposit and investment of public funds.

Tooele County follows the requirements of the Utah Money Management Act (Utah Code, Section 51, Chapter 7) in handling its depository and investment transactions. The Act requires the depositing of the County's funds in a qualified depository. The Act defines qualified depository as any financial institution whose deposits are insured by an agency of the Federal Government and that has been certified by the State Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council.

Deposits

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the County's deposits may not be returned to it. The County does not have a formal deposit policy for custodial credit risk. At December 31, 2007, \$12,926,090 of the County's bank balances was uninsured and uncollateralized. The market value is equivalent to the below stated carrying amount.

The County maintains a cash and investment pool that is available for use by all funds. In addition, investments are separately held by several of the County's funds.

Cash deposits are carried at cost plus accrued interest. The carrying amount of deposits is displayed on the balance sheet as "Cash and investments." Utah State statutes do not require deposits to be collateralized; however, financial institutions must be approved by the State Money Management Council.

Cash and cash equivalents, including Agency Fund Accounts

	<u>Carrying Amount</u>	<u>Bank Balance</u>
Cash on hand	\$ 6,035	\$ -
Deposits - insured (FDIC)	300,000	300,000
Deposits - uninsured and uncollateralized	<u>12,962,276</u>	<u>12,926,090</u>
Total cash and deposits	13,268,311	13,226,090
Utah Public Treasurer's Investment Fund	<u>22,616,195</u>	<u>22,616,195</u>
Total cash and investments	<u>\$ 35,884,506</u>	<u>\$ 35,842,285</u>

Restricted cash amounting to \$512,180 is included in total cash and investments.

TOOELE COUNTY
Notes to Financial Statements (Continued)

4. INVESTMENTS

The Money Management Act defines the types of securities authorized as appropriate investments for the County and the conditions for making investment transactions. Investment transactions may be conducted only through qualified depositories, certified dealers, or directly with issuers of the investment securities.

Statutes authorize the County to invest in negotiable or nonnegotiable deposits of qualified depositories and permitted negotiable depositories; repurchase and reverse repurchase agreements; commercial paper classified as "first tier" by two nationally recognized statistical rating organizations, one of which must be Moody's Investor Services or Standard and Poor's; bankers' acceptances; obligations of the U.S. Treasury including bills, notes, and bonds; bonds, notes, and other evidence of indebtedness of political subdivisions of the State; fixed rate corporate obligations and variable rate securities rated "A" or higher, or the equivalent of "A" or higher, by two nationally recognized statistical rating organizations; shares or certificates in a money market mutual fund as defined in the Act; and the Utah State Public Treasurer's Investment Fund. All investments held by the County at December 31, 2007 comply with the provisions of the Act.

The Utah State Treasurer's Office operates the Public Treasurer's Investment Fund (PTIF). The PTIF is available for investment of funds administered by any Utah public treasurer.

The PTIF is not registered with the SEC as an investment company. The PTIF is authorized and regulated by the Money Management Act, Section 51-7, Utah Code Annotated, 1953, as amended. The Act established the Money Management Council, which oversees the activities of the State Treasurer and the PTIF and details the types of authorized investments. Deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah, and participants share proportionally in any realized gains or losses on investments.

The PTIF operates and reports to participants on an amortized cost basis. The income, gains, and losses - net of administration fees, of the PTIF are allocated based upon the participant's average daily balance. The fair value of the PTIF investment pool is approximately equal to the value of the pool shares.

As of December 31, 2007, the County had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (In Years)			
		Less than 1	1-5	6-10	More than 10
Utah Public Treasurer's Investment Fund	\$ 13,716,886	\$13,716,886	\$ -	\$ -	\$ -
Utah Public Treasurer's Investment Fund	8,899,309	8,899,309	-	-	-
Certificates of Deposit	512,180	512,180	-	-	-
Investment Sweeps	<u>13,085,561</u>	<u>13,085,561</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Investments	<u>\$ 36,213,936</u>	<u>\$36,213,936</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County's policy for managing its exposure to fair value loss arising from increasing interest rates is to comply with the State's Money Management Act. Section 51-7-11 of the Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested. The Act further limits the remaining term to maturity on all investments in commercial paper, bankers' acceptances, fixed rate negotiable deposits, and fixed rate corporate obligations to 270-365 days or less. In addition, variable rate negotiable deposits and variable rate securities may not have a remaining term to final maturity exceeding two years.

TOOELE COUNTY
Notes to Financial Statements (Continued)

4. INVESTMENTS (Continued)

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The County's policy for reducing its exposure to credit risk is to comply with the State's Money Management Act as previously discussed.

As of December 31, 2007, the County had the following investments and quality ratings:

Investment Type	Fair Value	Quality Ratings			
		AAA	AA	A	Unrated
Utah Public Treasurer's Investment Fund	\$ 13,716,886	\$ -	\$ -	\$ -	\$ 13,716,886
Utah Public Treasurer's Investment Fund	8,899,309	-	-	-	8,899,309
Certificates of Deposit	512,180	-	210,000	302,180	-
Investment Sweeps	13,085,561	-	-	13,085,561	-
Total Investments	\$ 36,213,936	\$ -	\$ 210,000	\$ 13,387,741	\$ 22,616,195

5. INTERFUND RECEIVABLES AND PAYABLES

Interfund receivables and payables at December 31, 2007, were as follows:

	Interfund Receivables	Interfund Payables
General fund	\$ -	\$ -
Payroll fund	-	-
Special revenue fund:		
Human services	-	-
Public health	-	-
Road maintenance	-	-
Municipal services	-	-
Aging and adult services	-	-
Transient room tax	-	-
Debt service	-	-
Capital projects	-	-
Proprietary funds:		
Enterprise funds:		
Solid waste management	-	-
Deseret Peak	-	-
Airport	-	-
Internal service funds:		
Intragovernmental service equipment	-	-
Central stores	-	-
Fiduciary funds:		
Agency funds:		
Auditor's trust	-	-
Treasurer's trust	-	-
Total interfund balances	\$ -	\$ -

TOOELE COUNTY
Notes to Financial Statements (Continued)

6. ACCOUNTS RECEIVABLE

Accounts receivable, net of allowance for estimated uncollectible amounts consist of the following at December 31, 2007:

		Proprietary Funds		Fiduciary Funds	
	Gen./Special Revenue, and Capital Projects Funds	Solid Waste, Deseret Peak, and Airport Enterprise Funds	Internal Services	Agency - Auditor's Trust and Treasurer's Trust	Total
Accounts receivable	\$ 456,291	\$ 674,823	\$ -	\$ 13,891	\$ 1,145,005
Less allowance for uncollectible amounts	-	15,994	-	-	15,994
Net accounts receivable	<u>\$ 456,291</u>	<u>\$ 658,829</u>	<u>\$ -</u>	<u>\$ 13,891</u>	<u>\$ 1,129,011</u>

7. PROPERTY TAX

Property taxes attach as an enforceable lien on property as of January 15 of the year following levy. Taxes are levied in early fall and are payable by November 30th. The County bills and collects its own property taxes and also taxes for the State of Utah, cities, towns, school districts, and water conservancy districts. Collections of the county taxes and remittance of them to the Districts are accounted for in the Treasurer's Tax Fund. County property tax revenues are recognized when levied to the extent that they result in a current receivable. The collection of 2007 property taxes, including delinquent collections, have been apportioned by the County Treasurer and included as 2007 revenues in this report.

The portion invested and not turned over to the County funds has been set up as property taxes receivable on the governmental funds balance sheets at December 31, 2007. This amounted to \$0 at December 31, 2007 for the General Fund.

8. CAPITAL ASSETS

Changes in governmental capital assets are comprised of the following:

	Balance December 31, 2006	Additions and Transfers	Deletions and Transfers	Balance December 31, 2007
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 5,612,459	\$ 1,958,588	\$ -	\$ 7,571,047
Infrastructure	38,753,002	1,117,783	-	39,870,785
Total capital assets, not being depreciated	<u>44,365,461</u>	<u>3,076,371</u>	<u>-</u>	<u>47,441,832</u>
Capital assets, being depreciated:				
Buildings and improvements	16,202,149	6,727,445		22,929,594
Construction in progress	2,881,510	209,237	(2,881,510)	209,237
Furniture, fixtures, and equipment	11,090,370	807,993	(602,299)	11,296,064
Total capital assets, being depreciated	<u>30,174,029</u>	<u>7,744,675</u>	<u>(3,483,809)</u>	<u>34,434,895</u>
Accumulated depreciation for:				
Buildings and improvements	7,895,589	337,555	-	8,233,144
Water rights	-	-	-	-
Furniture, fixtures, and equipment	8,851,158	953,109	(471,840)	9,332,427
Total accumulated depreciation	<u>16,746,747</u>	<u>1,290,664</u>	<u>(471,840)</u>	<u>17,565,571</u>
Total capital assets, being depreciated, net	<u>13,427,282</u>	<u>6,454,011</u>	<u>(3,011,969)</u>	<u>16,869,324</u>
Governmental activities capital assets, net	<u>\$57,792,743</u>	<u>\$ 9,530,382</u>	<u>\$ (3,011,969)</u>	<u>\$ 64,311,156</u>

TOOELE COUNTY
Notes to Financial Statements (Continued)

8. CAPITAL ASSETS (Continued)

Changes in business-type capital assets are comprised of the following:

	Balance December 31, 2006	Additions and Transfers	Deletions and Transfers	Balance December 31, 2007
Business-type activities:				
Land	\$ 1,759,620	\$ -	\$ -	\$ 1,759,620
Buildings and improvements	28,395,879	1,031,243	-	29,427,122
Construction in progress	909,602	495,120	(909,602)	495,120
Furniture, fixtures, and equipment	<u>3,202,338</u>	<u>283,991</u>	<u>(26,933)</u>	<u>3,459,396</u>
Total capital assets, being depreciated	34,267,439	1,810,354	(936,535)	35,141,258
Less accumulated depreciation	<u>10,513,294</u>	<u>1,455,481</u>	<u>(7,922)</u>	<u>11,960,853</u>
Business-type activities capital assets, net	<u>\$23,754,145</u>	<u>\$ 354,873</u>	<u>\$ (944,457)</u>	<u>\$ 23,180,405</u>

For the year ended December 31, 2007, depreciation expense was charged to functions of the County as follows:

Governmental activities:	
General government	\$ 643,443
Tourism and promotion	19,811
Public safety	271,147
Public health	192,826
Highways and public improvements	124,776
Parks and recreation	27,548
Conservation and economic development	473
Other administrative	<u>10,641</u>
Total depreciation expense, governmental activities	<u>\$ 1,290,664</u>
Business-type activities:	
Solid waste	\$ 122,445
Deseret Peak	919,360
Airport	<u>413,676</u>
Total depreciation expense, business-type activities	<u>\$ 1,455,481</u>

9. LONG-TERM DEBT

Long-term liability activity for the year ended December 31, 2007 is as follows:

	Balance December 31, 2006	Additions	Retirements	Balance December 31, 2007	Due Within One Year
Governmental activities:					
General obligation bonds	\$ -	\$ -	\$ -	\$ -	\$ -
Lease revenue bonds	767,000	-	145,000	622,000	145,000
Sales tax revenue bonds	<u>2,545,000</u>	<u>-</u>	<u>100,000</u>	<u>2,445,000</u>	<u>100,000</u>
Total governmental long-term liabilities	<u>3,312,000</u>	<u>-</u>	<u>245,000</u>	<u>3,067,000</u>	<u>245,000</u>

TOOELE COUNTY
Notes to Financial Statements (Continued)

9. LONG-TERM DEBT (Continued)

Business-type activities:

Enterprise fund lease revenue bonds	880,000	-	50,000	830,000	55,000
Enterprise fund lease revenue bonds	455,527	-	6,489	449,038	6,437
Enterprise fund lease revenue bonds	209,400	-	17,727	191,673	16,352
Enterprise fund sales tax revenue bonds	589,000	-	38,000	551,000	38,000
Enterprise fund sales tax revenue bonds	848,000	-	46,000	802,000	48,000
Capital lease obligations	38,992	-	38,992	-	-
Total business-type long-term liabilities	<u>3,020,919</u>	<u>-</u>	<u>197,208</u>	<u>2,823,711</u>	<u>163,789</u>
Total long-term debt	<u>\$ 6,332,919</u>	<u>\$ -</u>	<u>\$ 442,208</u>	<u>\$ 5,890,711</u>	<u>\$ 408,789</u>

Long-term debt at December 31, 2007, is comprised of the following:

\$2,500,000 lease revenue bond, Series 1989, due in annual installments ranging from \$68,958 (principal only) to \$163,000 (principal only) in 2011, with interest at 3.00%	\$ 622,000
\$1,200,000 lease revenue bond, Series 1998, due in annual installments ranging from \$30,000 (principal only) to \$100,000 (principal only) in 2018, with interest at 6.00%	830,000
\$500,000 lease revenue bond, Series 1998 B, due in annual installments ranging from \$4,403 (principal only) to \$26,716 (principal only) in 2038, with interest at 4.75%	449,038
Preliminary advance on \$331,800 lease revenue bond, Series 1998C, due in annual installments ranging from \$10,027 (principal only) to \$25,135 (principal only) in 2018, with interest at 4.75%	191,673
\$700,000 sales tax revenue bond, Series 2003 A, due in annual installments ranging from \$47,094 (including principal and interest) to \$48,058 (including principal and interest) in 2020, with interest at 1.70%	551,000
\$978,000 sales tax revenue bond, Series 2003 B, due in semi-annual installments ranging from \$12,141 (interest only) to \$78,463 (including principal and interest) in 2020, with interest at 2.35% to 4.50%	802,000
\$2,645,000 sales tax revenue bond, Series 2005, due in annual installments ranging from \$149,976 (including principal and interest) to \$205,000 (including principal and interest) in 2024, with interest at 3.25% to 5.00%	<u>2,445,000</u>
Total long-term debt	<u>\$ 5,890,711</u>

TOOELE COUNTY
Notes to Financial Statements (Continued)

9. LONG-TERM DEBT (Continued)

Requirements to amortize long-term debt are as follows:

Jail Facility Lease Revenue Bonds

Year	Principal Amount
2008	\$ 149,000
2009	154,000
2010	158,000
2011	161,000
2012	-
Thereafter	-
	<u>\$ 622,000</u>

Airport Lease Revenue Bonds

Year	Principal Amount
2008	\$ 55,000
2009	60,000
2010	60,000
2011	65,000
2012	70,000
Thereafter	520,000
	<u>\$ 830,000</u>

Airport Lease Revenue Bonds

Year	Principal Amount
2008	\$ 6,437
2009	6,750
2010	7,078
2011	7,422
2012	7,783
Thereafter	413,568
	<u>\$ 449,038</u>

Tooele County Airport Revenue Bond

Year	Principal Amount
2008	\$ 16,352
2009	17,142
2010	17,969
2011	18,836
2012	20,698
Thereafter	100,676
	<u>\$ 191,673</u>

TOOELE COUNTY
Notes to Financial Statements (Continued)

9. LONG-TERM DEBT (Continued)

Requirements to amortize long-term debt are as follows:

2003A Sales Tax Revenue Bond

<u>Year</u>	<u>Principal Amount</u>
2008	\$ 38,000
2009	39,000
2010	40,000
2011	40,000
2012	41,000
Thereafter	<u>353,000</u>
	<u>\$ 551,000</u>

2003B Sales Tax Revenue Bond

<u>Year</u>	<u>Principal Amount</u>
2008	\$ 48,000
2009	50,000
2010	52,000
2011	54,000
2012	56,000
Thereafter	<u>542,000</u>
	<u>\$ 802,000</u>

2005 Sales Tax Revenue Bond

<u>Year</u>	<u>Principal Amount</u>
2008	\$ 100,000
2009	110,000
2010	115,000
2011	115,000
2012	120,000
Thereafter	<u>1,885,000</u>
	<u>\$ 2,445,000</u>

TOOELE COUNTY
Notes to Financial Statements (Continued)

9. LONG-TERM DEBT (Continued)

Obligations under Capital Leases

The County has entered into two lease agreements for heavy equipment. These agreements are cancelable by the County, should the funds not be budgeted by the County to cover the annual lease payments. The related assets and liabilities are carried in the Solid Waste Enterprise Fund (Komatsu lease) and the Deseret Peak Enterprise Fund (Caterpillar lease). These lease agreements have been recorded as capital leases since the leases are not expected to be canceled. There are no future minimum lease payments at December 31, 2007:

	Enterprise Funds
Equipment cost	\$ 456,014
Accumulated amortization	<u>(430,212)</u>
Net book value	<u>\$ 25,802</u>
Future minimum lease payments - payable in the years ending December 31:	
2008 and thereafter	\$ -
Less amount representing interest	<u>-</u>
Present value of net minimum lease payments	<u>\$ -</u>

10. PENSION PLANS

Tooele County - Local Governmental - Cost Sharing Defined Benefit Pension Plans

Plan Description: Tooele County contributes to the Local Governmental Contributory Retirement System and the Local Governmental Noncontributory Retirement System, the Public Safety Retirement System for employers with/without Social Security coverage, and the Firefighters Retirement System for employers with/without Social Security coverage, all of which are cost-sharing multiple employer defined benefit pension plans administered by the Utah Retirement Systems (Systems). The Systems provide refunds, retirement benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries in accordance with retirement statutes.

The Systems are established and governed by the respective sections of Chapter 49 of the Utah Code Annotated 1953 (Chapter 49) as amended, which also establishes the Utah State Retirement Office (Office) for the administration of the Utah Retirement Systems and Plans. Chapter 49 places the Systems, the Office and related plans and programs under the direction of the Utah State Retirement Board (Board) whose members are appointed by the Governor. The Systems issue a publicly available financial report that includes financial statements and required supplementary information for the Systems and Plans. A copy of the report may be obtained by writing to the Utah Retirement Systems, 540 East 200 South, Salt Lake City, Utah 84102, or by calling 1-800-365-8772.

TOOELE COUNTY
Notes to Financial Statements (Continued)

10. PENSION PLANS (Continued)

Tooele County - Local Governmental - Cost Sharing Defined Benefit Pension Plans (Continued)

Funding policy: Plan members in the Local Governmental Contributory Retirement System are required to contribute 6.00% of their annual covered salary (all or part may be paid by the employer for the employee), and Tooele County is required to contribute 7.58% for the six months January 2007 - June 2007 and 7.61% for the six months July 2007 - December 2007 of their annual covered salary. In the Local Governmental Noncontributory Retirement System, Tooele County is required to contribute 11.59% for the six months January 2007 - June 2007 and 11.62% for the six months July 2007 - December 2007 of their annual covered salary. In the Public Safety Retirement System, Tooele County is required to contribute 22.38% for the six months January 2007 - June 2007 and 22.61% for the six months July 2007 - December 2007 of their annual covered salary for members in the noncontributory division. The contribution rates are the actuarially determined rates. The contribution requirements of the Systems are authorized by statute and specified by the Board.

Tooele County contributions to the Local Governmental Contributory Retirement System for the years ending December 31, 2007, 2006, and 2005 were \$11,337, \$19,813, and \$18,699, respectively. Noncontributory Retirement System contributions for the years ending December 31, 2007, 2006, and 2005 were \$1,002,261, \$896,440, and \$806,344, respectively. For the Public Safety Retirement System, the contributions for the years ending December 31, 2007, 2006, and 2005 were \$508,210, \$449,646, and \$388,757, respectively. The contributions were equal to the required contributions for each year.

Tooele County participates in a Section 457 Deferred Compensation Plan and a 401(k) Deferred Compensation Plan. The accumulated amount of the employees deferred compensation contributed for the years ending December 31, 2007, 2006, and 2005 were \$105,407 and \$444,918, \$87,127 and \$390,052, and \$59,690 and \$353,954, respectively. The assets of the Section 457 Deferred Compensation Plan are trust funds held in trust for the exclusive benefit of the participants or their beneficiaries rather than the assets of the employer.

11. COMMITMENTS AND CONTINGENCIES

Insurance - Retired Employees

The County will allow a retiree credit to continue enrollment in the County's group insurance program, one year for each five years of full-time employment with the County until the retiree reaches age 65. The projected cost of this program cannot be reasonably estimated at this time.

Litigation

There are several cases against the County that are currently being handled by their insurance carrier, and should not have a material affect upon Tooele County's financial statements.

12. RESERVATION AND DESIGNATION OF FUND BALANCES

The County has classified as reserved fund balance amounts applicable to Debt Service, workers compensation and early retirement, and prepaid expenses in relation to their specific purposes or designations for use. Such items are not available as net current assets for other general purposes.

REQUIRED SUPPLEMENTARY INFORMATION

TOOELE COUNTY

Condition and Ratings for the County's Road System For the Year Ended December 31, 2007

As allowed by GASB Statement 34, Tooele County has adopted the modified approach for reporting, where infrastructure assets are not depreciated, and maintenance and preservation costs are expensed. The County capitalizes costs related to new construction or major replacements under the modified approach.

Tooele County's entire Asphalt Pavement road network is 276.4 centerline miles of road, or approximately 3.7 million square yards. The purpose of this report is to document how Tooele County has met all the requirements of the modified approach including:

1. Keeping a current inventory of assets,
2. Doing a condition assessment at least once every three years based on an industry standard or measurement scale, and
3. Estimating the annual amount required to maintain and preserve the asset at or above an established level of service.

Tooele County has a program in place to track and manage the Asphalt Pavement road network. This information is updated on a regular basis. The inventory information maintained by the County includes road names, to and from roads, length, width, functional class, and importance.

The road department does a condition assessment of the entire road network every 3 years. Asphalt pavement distresses are identified and the condition of the road is recorded. The pavement distress identification process is based on the Distress Identification Manual for Long-Term Pavement Performance Projects (SHRP Distress Manual) published by the Strategic Highway Research Program (SHRP), which is the research arm of the Federal Highway Administration.

According to the SHRP Distress Manual, "The Distress Identification Manual for Long-Term Pavement Performance Projects was developed to provide a consistent, uniform basis for collecting distress data for the Long-Term Pavement Performance (LTPP) Program." The manual defines each type of pavement distress including specific distress severity levels. Using this information, Tooele County can determine the condition of each road and give each road a Remaining Service Life (RSL) value.

The years of service that exist in a road without accounting for potential treatments is referred to as remaining service life (RSL). Remaining service life is the value that can be used to express how many years this road will last if there are no treatments applied.

TOOELE COUNTY

Condition and Ratings for the County's Road System For the Year Ended December 31, 2007

Using the condition information, the County categorizes its roads into Excellent, Good, Fair, and Poor condition. Excellent roads have low severity distresses, require little or no maintenance, and have an RSL of 17-20. Good roads have medium severity distresses, can be preserved for an extended period of time with a surface treatment, and have an RSL of 9-16. Fair roads require rehabilitation such as thick overlay and have an RSL of 5-8. Poor roads require reconstruction and have an RSL of 0-4. The distribution of Tooele County's paved roads is listed below.

<u>Category</u>	<u>RSL</u>	<u>Percentage of Roads</u>
Excellent	17 to 20	4.32%
Good	9 to 16	50.57%
Fair	5 to 8	29.50%
Poor	0 to 4	15.61%

The service level that will be maintained by the County is an RSL of 8 (the average being Good condition), with less than 10% in the Poor condition category.

There are 832 miles of gravel roads and 237 miles of dirt roads in Tooele County. These roads are maintained so that a passenger car can travel these roads under dry conditions.

SUPPLEMENTARY INFORMATION

TOOELE COUNTY
Combining Balance Sheet
Non-Major Governmental Funds
December 31, 2007

	Special Revenue Funds						
	Human Services	Public Health	Road Maintenance	Aging and Adult Services	Transient Room Tax	Debt Service	Total
<u>ASSETS</u>							
Assets:							
Cash and investments	\$ 362,915	\$ 1,248,676	\$ 192,125	\$ 33,171	\$ 937,950	\$ 296,875	\$ 3,071,712
Accounts receivable	-	1,154	20,000	359	-	-	21,513
Due from other governmental units	1,000	-	35,295	71,038	-	-	107,333
Prepaid expenses	-	-	-	2,215	-	-	2,215
Total assets	<u>\$ 363,915</u>	<u>\$ 1,249,830</u>	<u>\$ 247,420</u>	<u>\$ 106,783</u>	<u>\$ 937,950</u>	<u>\$ 296,875</u>	<u>\$ 3,202,773</u>
<u>LIABILITIES AND FUND EQUITY</u>							
Liabilities:							
Accounts payable	\$ 131,102	\$ 67,358	\$ 92,519	\$ 30,055	\$ 23,819	\$ -	\$ 344,853
Deferred revenue	-	39,676	-	-	-	-	39,676
Total liabilities	<u>131,102</u>	<u>107,034</u>	<u>92,519</u>	<u>30,055</u>	<u>23,819</u>	<u>-</u>	<u>384,529</u>
Fund equity:							
Fund balances:							
Reserved	-	-	-	2,215	-	296,875	299,090
Unreserved	232,813	1,142,796	154,901	74,513	914,131	-	2,519,154
Total fund equity	<u>232,813</u>	<u>1,142,796</u>	<u>154,901</u>	<u>76,728</u>	<u>914,131</u>	<u>296,875</u>	<u>2,818,244</u>
Total liabilities and fund equity	<u>\$ 363,915</u>	<u>\$ 1,249,830</u>	<u>\$ 247,420</u>	<u>\$ 106,783</u>	<u>\$ 937,950</u>	<u>\$ 296,875</u>	<u>\$ 3,202,773</u>

ASSETS

TOOELE COUNTY

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended December 31, 2007

	Special Revenue Funds					
	Human Services	Public Health	Road Maintenance	Aging and Adult Services	Transient Room Tax	Debt Service
						Total
Revenues:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 612,842	\$ -
Intergovernmental revenues	1,217,860	1,102,068	2,421,608	463,185	-	-
Charges for services	-	1,154,348	142,185	205,130	-	-
Interest on investments	12,191	75,788	-	-	28,231	8,669
Other	6,030	134,375	9,083	7,361	15	-
Total revenues	1,236,081	2,466,579	2,572,876	675,676	641,088	8,669
						7,600,969
Expenditures:						
General government	-	-	-	-	591,782	-
Tourism & promotion	1,279,309	3,050,554	-	1,430,197	-	-
Public health & human services	-	-	3,571,758	-	-	-
Highways and public improvements	-	-	-	-	-	-
Principal retirement	-	-	-	-	-	145,000
Interest and fiscal charges	-	-	-	-	-	23,570
Total expenditures	1,279,309	3,050,554	3,571,758	1,430,197	591,782	168,570
						10,092,170
Excess (deficiency) of revenues over expenditures	(43,228)	(583,975)	(998,882)	(754,521)	49,306	(159,901)
						(2,491,201)
Other financing resources:						
Operating transfers in	188,000	517,500	500,000	764,057	-	169,080
Total other financing sources (uses)	188,000	517,500	500,000	764,057	-	169,080
						2,138,637
Excess (deficiency) of revenue and other sources over expenditures and other uses	144,772	(66,475)	(498,882)	9,536	49,306	9,179
						(352,564)
Fund balance (deficit), beginning of year	88,041	1,209,271	653,783	67,192	864,825	287,696
Fund balance (deficit), end of year	\$ 232,813	\$ 1,142,796	\$ 154,901	\$ 76,728	\$ 914,131	\$ 296,875
						\$ 2,818,244

TOOELE COUNTY

Individual Fund Statement of Revenues, Expenditures, and
Changes in Fund Balance -- Budget and Actual -- General Fund
(Minus the Payroll account)
For the Year Ended December 31, 2007

	General		Variance
	Budget	Actual	Favorable (Unfavorable)
Revenues:			
Taxes	\$ 4,739,000	\$ 4,566,138	\$ (172,862)
Licenses and permits	14,500	14,250	(250)
Intergovernmental revenues	6,584,470	5,524,210	(1,060,260)
Charges for services	1,641,000	1,615,097	(25,903)
Fines and forfeitures	795,000	725,531	(69,469)
Interest on investments	700,000	681,895	(18,105)
Mitigation fees	8,850,000	9,259,408	409,408
Other	1,016,000	1,342,909	326,909
Total revenues	<u>24,339,970</u>	<u>23,729,438</u>	<u>(610,532)</u>
Expenditures:			
General government	8,050,180	7,655,692	394,488
Public safety	9,788,893	8,099,654	1,689,239
Highways and public improvements	208,690	155,521	53,169
Parks and recreation	898,219	822,901	75,318
Conservation and economic development	42,000	14,140	27,860
Other administrative	564,000	317,863	246,137
Total expenditures	<u>19,551,982</u>	<u>17,065,771</u>	<u>2,486,211</u>
Excess (deficiency) of revenues over expenditures	<u>4,787,988</u>	<u>6,663,667</u>	<u>1,875,679</u>
Other financing sources (uses):			
Operating transfers in	6,850,000	-	(6,850,000)
Operating transfers out	<u>(11,637,988)</u>	<u>(11,162,165)</u>	<u>475,823</u>
Total other financing sources (uses)	<u>(4,787,988)</u>	<u>(11,162,165)</u>	<u>(6,374,177)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	-	(4,498,498)	(4,498,498)
Fund balance, beginning of year	<u>9,774,424</u>	<u>9,774,424</u>	-
Fund balance, end of year	<u>\$ 9,774,424</u>	<u>\$ 5,275,926</u>	<u>\$ (4,498,498)</u>

TOOELE COUNTY

Individual Fund Statement of Revenues, Expenditures, and
Changes in Fund Balance -- Budget and Actual -- Payroll Fund
For the Year Ended December 31, 2007

	Payroll		Variance
	Budget	Actual	Favorable (Unfavorable)
Revenues:			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental revenues	-	-	-
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Interest on investments	-	-	-
Mitigation fees	-	-	-
Other	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:			
General government	-	-	-
Public safety	-	-	-
Highways and public improvements	-	-	-
Parks and recreation	-	-	-
Conservation and economic development	-	-	-
Other administrative	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):			
Operating transfers in	-	323,528	323,528
Operating transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>323,528</u>	<u>323,528</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>-</u>	<u>323,528</u>	<u>323,528</u>
Fund balance, beginning of year	<u>2,133,745</u>	<u>2,133,745</u>	<u>-</u>
Fund balance, end of year	<u>\$ 2,133,745</u>	<u>\$ 2,457,273</u>	<u>\$ 323,528</u>

TOOELE COUNTY

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Special Revenue Funds

For the Year Ended December 31, 2007

	Human Services			Public Health			Road Maintenance		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
Revenues:									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-	-	-
Intergovernmental revenues	1,321,700	1,217,860	(103,840)	1,142,965	1,102,068	(40,897)	2,415,000	2,421,608	6,608
Charges for services	-	-	-	1,140,104	1,154,348	14,244	145,500	142,185	(3,315)
Interest on investments	15,000	12,191	(2,809)	80,000	75,788	(4,212)	-	-	-
Other	7,000	6,030	(970)	160,572	134,375	(26,197)	12,000	9,083	(2,917)
Total revenues	<u>1,343,700</u>	<u>1,236,081</u>	<u>(107,619)</u>	<u>2,523,641</u>	<u>2,466,579</u>	<u>(57,062)</u>	<u>2,572,500</u>	<u>2,572,876</u>	<u>376</u>
Expenditures:									
General government	-	-	-	-	-	-	-	-	-
Tourism and promotion	-	-	-	-	-	-	-	-	-
Public health and human services	1,531,700	1,279,309	252,391	3,442,803	3,050,554	392,249	-	-	-
Highways and public improvements	-	-	-	-	-	-	3,892,297	3,571,758	320,539
Debt Service:									
Principal retirement	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-
Total expenditures	<u>1,531,700</u>	<u>1,279,309</u>	<u>252,391</u>	<u>3,442,803</u>	<u>3,050,554</u>	<u>392,249</u>	<u>3,892,297</u>	<u>3,571,758</u>	<u>320,539</u>
Excess (deficiency) of revenues over expenditures	<u>(188,000)</u>	<u>(43,228)</u>	<u>144,772</u>	<u>(919,162)</u>	<u>(583,975)</u>	<u>335,187</u>	<u>(1,319,797)</u>	<u>(998,882)</u>	<u>320,915</u>
Other financing sources:									
Operating transfers in	188,000	188,000	-	919,162	517,500	(401,662)	1,319,797	500,000	-
Operating transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>188,000</u>	<u>188,000</u>	<u>-</u>	<u>919,162</u>	<u>517,500</u>	<u>(401,662)</u>	<u>1,319,797</u>	<u>500,000</u>	<u>-</u>
Excess (deficiency) of revenue and other sources over expenditures and other uses	-	144,772	144,772	-	(66,475)	(66,475)	-	(498,882)	(498,882)
Fund balance (deficit), beginning of year	88,041	88,041	-	1,209,271	1,209,271	-	653,783	653,783	-
Fund balance (deficit), end of year	<u>\$ 88,041</u>	<u>\$ 232,813</u>	<u>\$ 144,772</u>	<u>\$ 1,209,271</u>	<u>\$ 1,142,796</u>	<u>\$ (66,475)</u>	<u>\$ 653,783</u>	<u>\$ 154,901</u>	<u>\$ (498,882)</u>

TOOELE COUNTY

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Continued)
Special Revenue Funds
For the Year Ended December 31, 2007

	Aging and Adult Services		Transient Room Tax		Debt Service		Totals	
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Variance - Favorable (Unfavorable)
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ 630,000	\$ 612,842	\$ (17,158)	\$ 630,000	\$ (17,158)
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental revenues	463,779	463,185	(594)	-	-	-	5,343,444	5,204,721
Charges for services	209,800	205,130	(4,670)	-	-	-	1,495,404	1,501,663
Interest on investments	-	-	-	30,000	28,231	(1,769)	135,000	124,879
Other	8,000	7,361	(639)	500	15	(485)	188,072	156,864
Total Revenues	681,579	675,676	(5,903)	660,500	641,088	(19,412)	7,791,920	(190,951)
Expenditures:								
General government	-	-	-	-	-	-	-	-
Tourism and promotion	-	-	-	740,000	591,782	148,218	740,000	591,782
Public health and human services	1,445,636	1,430,197	15,439	-	-	-	6,420,139	5,760,060
Highways and public improvements	-	-	-	-	-	-	3,892,297	3,571,758
Debt Service:								
Principal retirement	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	145,000	-	145,000	145,000
Total expenditures	1,445,636	1,430,197	15,439	740,000	591,782	148,218	24,080	510
							11,221,516	10,092,170
Excess (deficiency) of revenues over expenditures	(764,057)	(754,521)	9,536	(79,500)	49,306	128,806	(159,080)	(1,331)
Other financing sources:								
Operating transfers in	764,057	764,057	-	79,500	-	(79,500)	159,080	10,000
Operating transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	764,057	764,057	-	79,500	-	(79,500)	159,080	10,000
Excess (deficiency) of revenue and other sources over expenditures and other uses	-	9,536	9,536	-	49,306	49,306	-	(9,179)
Fund balance (deficit), beginning of year	67,192	67,192	-	864,825	864,825	-	287,696	287,696
Fund balance (deficit), end of year	\$ 67,192	\$ 76,728	\$ 9,536	\$ 864,825	\$ 914,131	\$ 49,306	\$ 287,696	\$ (9,179)
							\$ 3,170,808	\$ 2,818,244
								\$ (352,564)

TOOELE COUNTY
Combining Statement of Net Assets
Internal Service Funds
December 31, 2007

	Intragovernmental Service Equipment	Central Stores	Total
<u>ASSETS</u>			
Assets:			
Cash and investments	\$ 696,237	\$ 2,727	\$ 698,964
Inventories	-	11,970	11,970
Property, plant, and equipment, net	<u>1,113,040</u>	<u>-</u>	<u>1,113,040</u>
Total assets	<u>\$ 1,809,277</u>	<u>\$ 14,697</u>	<u>\$ 1,823,974</u>
<u>LIABILITIES</u>			
Liabilities:			
Accounts payable	<u>\$ 56,064</u>	<u>\$ 11,362</u>	<u>\$ 67,426</u>
Total liabilities	<u>\$ 56,064</u>	<u>\$ 11,362</u>	<u>\$ 67,426</u>
<u>NET ASSETS</u>			
Net assets:			
Invested in capital assets, net of related debt	\$ 1,113,040	\$ -	\$ 1,113,040
Unreserved	<u>640,173</u>	<u>3,335</u>	<u>643,508</u>
Total net assets	<u>\$ 1,753,213</u>	<u>\$ 3,335</u>	<u>\$ 1,756,548</u>

TOOELE COUNTY

Combining Statement of Revenues, Expenses, and Changes in Net Assets

Internal Service Funds

For the Year Ended December 31, 2007

	Intragovernmental		
	Service Equipment	Central Stores	Total
Operating revenues:			
Interfund lease payments	\$ 430,579	\$ -	\$ 430,579
Sale of supplies	-	84,989	84,989
Total operating revenues	<u>430,579</u>	<u>84,989</u>	<u>515,568</u>
Operating expenses:			
General and administrative	-	86,777	86,777
Depreciation	261,175	-	261,175
Total operating expenses	<u>261,175</u>	<u>86,777</u>	<u>347,952</u>
Operating income (loss)	<u>169,404</u>	<u>(1,788)</u>	<u>167,616</u>
Other financing sources:			
Operating transfers in	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>
Non-operating revenues:			
Interest on investments	23,979	356	24,335
Total non-operating revenues	<u>23,979</u>	<u>356</u>	<u>24,335</u>
Change in net assets	193,383	(1,432)	191,951
Net assets (liabilities), beginning of year	<u>1,559,830</u>	<u>4,767</u>	<u>1,564,597</u>
Net assets (liabilities), end of year	<u>\$ 1,753,213</u>	<u>\$ 3,335</u>	<u>\$ 1,756,548</u>

TOOELE COUNTY
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2007

	Intragovernmental Service Equipment	Central Stores	Total
Cash flows from operating activities:			
Receipts from interfund leases	\$ 430,579	\$ -	\$ 430,579
Receipts from sale of supplies	-	83,653	83,653
Payments for administration	<u>11,351</u>	<u>(82,351)</u>	<u>(71,000)</u>
Net cash provided (used) by operating activities	<u>441,930</u>	<u>1,302</u>	<u>443,232</u>
Cash flows from noncapital financing activities:			
Operating transfers in	<u>-</u>	<u>-</u>	<u>-</u>
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from capital and related financing activities:			
Purchase of capital assets	(565,004)	-	(565,004)
Disposal of capital assets	<u>135,288</u>	<u>-</u>	<u>135,288</u>
Net cash provided (used) by capital and related financing activities	<u>(429,716)</u>	<u>-</u>	<u>(429,716)</u>
Cash flows from investing activities:			
Interest income on investments	<u>23,979</u>	<u>356</u>	<u>24,335</u>
Net cash provided (used) by investing activities	<u>23,979</u>	<u>356</u>	<u>24,335</u>
Net increase (decrease) in cash and cash equivalents	36,193	1,658	37,851
Cash and cash equivalents, beginning of year	<u>660,044</u>	<u>1,069</u>	<u>661,113</u>
Cash and cash equivalents, end of year	<u>\$ 696,237</u>	<u>\$ 2,727</u>	<u>\$ 698,964</u>
Reconciliation of total operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 169,404	\$ (1,788)	\$ 167,616
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	261,175	-	261,175
(Increase) decrease in operating assets:			
Accounts receivable, net	-	-	-
Prepaid expenses	-	-	-
Inventories	-	(1,336)	(1,336)
Due from other funds	-	-	-
Increase (decrease) in operating liabilities:			
Accounts payable	11,351	4,426	15,777
Due to other funds	<u>-</u>	<u>-</u>	<u>-</u>
Net cash provided (used) by operating activities	<u>\$ 441,930</u>	<u>\$ 1,302</u>	<u>\$ 443,232</u>

TOOELE COUNTY
Combining Statement of Changes in Assets and Liabilities -
All Agency Funds
For the Year Ended December 31, 2007

	Balance at beginning of the year	Additions	Deductions	Balance at end of the year
<u>AUDITOR'S TRUST</u>				
Assets:				
Cash and investments	\$ 1,535,585	\$ 410,518	\$ -	\$ 1,946,103
Accounts receivable	9,497	4,394	-	13,891
Due from other funds	-	-	-	-
Total assets	<u>\$ 1,545,082</u>	<u>\$ 414,912</u>	<u>\$ -</u>	<u>\$ 1,959,994</u>
Liabilities:				
Accounts payable	\$ 62,356	\$ 13,406	\$ -	\$ 75,762
Due to other governmental units	-	-	-	-
Court and other trust deposits	1,482,726	401,506	-	1,884,232
Total liabilities	<u>\$ 1,545,082</u>	<u>\$ 414,912</u>	<u>\$ -</u>	<u>\$ 1,959,994</u>
<u>TREASURER'S TRUST</u>				
Assets:				
Cash and investments	\$ 18,091,815	\$ 38,637,151	\$ 36,651,418	\$ 20,077,548
Taxes receivable	1,949,796	-	165,275	1,784,521
Total assets	<u>\$ 20,041,611</u>	<u>\$ 38,637,151</u>	<u>\$ 36,816,693</u>	<u>\$ 21,862,069</u>
Liabilities:				
Due to other governmental units	\$ 20,041,611	\$ 38,637,151	\$ 36,816,693	\$ 21,862,069
Total liabilities	<u>\$ 20,041,611</u>	<u>\$ 38,637,151</u>	<u>\$ 36,816,693</u>	<u>\$ 21,862,069</u>
<u>TOTALS - ALL AGENCY FUNDS</u>				
Assets:				
Cash and investments	\$ 19,627,400	\$ 39,047,669	\$ 36,651,418	\$ 22,023,651
Accounts receivable	9,497	4,394	-	13,891
Taxes receivable	1,949,796	-	165,275	1,784,521
Due from other funds	-	-	-	-
Total assets	<u>\$ 21,586,693</u>	<u>\$ 39,052,063</u>	<u>\$ 36,816,693</u>	<u>\$ 23,822,063</u>
Liabilities:				
Accounts payable	\$ 62,356	\$ 13,406	\$ -	\$ 75,762
Due to other funds	-	-	-	-
Due to other governmental units	20,041,611	38,637,151	36,816,693	21,862,069
Court and other trust deposits	1,482,726	401,506	-	1,884,232
Total liabilities	<u>\$ 21,586,693</u>	<u>\$ 39,052,063</u>	<u>\$ 36,816,693</u>	<u>\$ 23,822,063</u>

TOOELE COUNTY
Combining Balance Sheet
Component Unit
December 31, 2007

Tooele County
Recreation
Special Service
District

ASSETS

Assets:

Cash and investments	\$ 20,664
Due from other governmental units	<u>-</u>

Total assets	<u>\$ 20,664</u>
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LIABILITIES AND FUND EQUITY

Liabilities:

Accounts payable and accrued expenses	\$ -
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Total liabilities	<u>-</u>
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Fund equity:

Fund balances:

Reserved	20,664
Unreserved	<u>-</u>

Total fund equity	<u>20,664</u>
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Total liabilities and fund equity	<u>\$ 20,664</u>
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TOOELE COUNTY

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Component Unit

For the Year Ended December 31, 2007

	Tooele County Recreation Special Service District
Revenues:	
Mineral lease payment	\$ 150,000
Intergovernmental revenue	57,106
Interest on investments	2,000
Total revenues	<u>209,106</u>
Expenditures:	
General government	1,721
Recreation support	-
Capital projects	190,511
Total expenditures	<u>192,232</u>
Excess (deficiency) of revenues over (under) expenditures	<u>16,874</u>
Other financing sources:	
Operating transfers in	-
Total other financing sources	<u>-</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	16,874
Fund balance, beginning of year	<u>3,790</u>
Fund balance, end of year	<u>\$ 20,664</u>

TOOELE COUNTY

Schedule of Taxable Values, Taxes Charged, and Taxes Collected
For the Year Ended December 31, 2007

Taxing Unit	Continuing Taxable Value										Treasurer's Relief						
	Year-End Real Value (After BOE)	Year-End CA Value (After BOE)	Total Real & CA RDA Value	Adjusted Real & CA Value	Year-End Pers. Prop. Value	Pers. Prop. RDA Value	Adjusted Pers. Prop. Value	Total Adjusted Value	Current Tax Rate	Prior Tax Rate	Real & CA Charged	Pers. Prop. Charged	Taxes Charged	Unpaid Taxes	Abate- ments	Other	Total
Tooele City	\$ 1,056,928,414	\$ 30,789,580	\$ 108,408,545	\$ 979,309,449	\$ 81,330,310	-	\$ 81,330,310	\$ 1,060,639,759	0.002134	0.002370	\$ 2,089,846	\$ 192,753	\$ 2,282,599	\$ 143,737	\$ 36,345	\$ 58,445	\$ 238,527
Grantsville City	291,711,767	8,538,784	70,457,906	223,792,645	39,033,498	-	39,033,498	268,826,143	0.002621	0.002822	597,691	110,153	707,843	50,520	10,898	(2,961)	58,457
Wendover City	35,057,367	7,755,323	-	42,812,690	3,620,419	-	3,620,419	46,433,109	0.003761	0.003818	161,019	13,823	174,841	12,096	-	2,316	14,412
Stockton Town	16,634,901	1,204,874	-	17,839,775	146,354	-	146,354	17,986,129	0.002882	0.002882	51,414	478	51,892	4,145	1,680	961	6,786
Vernon Town	4,477,174	2,020,619	-	6,497,793	88,886	-	88,886	6,586,679	0.000947	0.000863	6,153	77	6,230	447	61	47	555
Lakeport Improvement District	47,530,766	4,615,638	-	52,146,404	3,845,209	-	3,845,209	55,991,613	0.000177	0.000189	9,230	727	9,957	379	51	41	471
Stansbury Park Improvement District	273,307,761	4,136,430	-	277,444,191	3,111,953	-	3,111,953	280,556,144	0.000107	0.000131	29,687	408	30,094	872	339	300	1,511
OpHr Town	2,986,899	19,875	-	3,006,774	49,362	-	49,362	3,056,136	0.000189	0.000209	568	10	579	5	17	9	31
Rush Valley Town	9,740,344	3,971,191	-	13,711,535	104,452	-	104,452	13,815,987	0.001161	0.001164	15,919	122	16,041	810	231	91	1,132
Tooele County	2,054,167,631	264,386,791	178,866,451	2,139,687,971	253,652,330	-	253,652,330	2,393,340,301	0.000719	0.000804	1,538,436	203,936	1,742,372	95,891	19,623	14,878	130,392
Tooele County Hospital Special Service	-	-	-	-	-	-	-	-	0.000000	0.000000	-	-	-	-	-	-	-
Tooele County School District - Basic	2,054,167,631	264,386,791	178,866,451	2,139,687,971	253,652,330	-	253,652,330	2,393,340,301	0.001311	0.001515	2,805,131	384,283	3,189,414	174,844	35,780	79,116	289,740
Tooele Valley Mosquito Abatement District	809,216,894	129,930,009	70,457,906	869,688,997	131,367,441	-	131,367,441	994,056,438	0.000224	0.000294	193,242	38,622	231,864	11,317	2,207	9,090	22,614
Stansbury Greenbelt Service Area	285,557,422	3,401,335	-	288,958,757	3,086,515	-	3,086,515	272,045,272	0.000959	0.001175	257,931	3,627	261,558	6,261	3,038	2,685	11,984
Stansbury Recreation Service Area	265,557,422	3,401,335	-	268,958,757	3,086,515	-	3,086,515	272,045,272	0.000960	0.001331	258,200	4,108	262,309	6,268	3,041	3,166	12,475
No. Tooele County Fire Service District	604,823,783	123,059,283	-	727,883,066	121,708,171	-	121,708,171	849,591,237	0.000321	0.000328	233,650	39,920	273,571	9,674	1,543	1,885	13,102
West Erda Improvement District	-	-	-	-	-	-	-	-	0.000000	0.000000	-	-	-	-	-	-	-
Rush Valley Water Conservancy District	55,051,954	23,365,749	-	78,417,703	606,634	-	606,634	79,024,337	0.000066	0.000068	5,176	41	5,217	397	80	(124)	353
Lakeport Cemetery and Park Service Area	47,269,616	4,615,638	-	51,885,254	3,845,209	-	3,845,209	55,730,463	0.000429	0.000460	22,259	1,769	24,028	835	123	107	1,065
No. Tooele City Special Service District	79,814,272	1,330,717	-	81,144,989	800,288	-	800,288	81,945,277	0.000307	0.000340	24,912	272	25,184	1,511	282	366	2,159
Saddleback Social	-	-	-	-	-	-	-	-	0.000000	0.000000	-	-	-	-	-	-	-
Tooele County School District - Local	2,054,167,631	264,386,791	178,866,451	2,139,687,971	253,652,330	-	253,652,330	2,393,340,301	0.007100	0.007381	15,191,785	1,872,208	17,063,992	946,907	193,775	219,505	1,360,187
Tooele County - Statewide A & C	2,054,167,631	264,386,791	178,866,451	2,139,687,971	253,652,330	-	253,652,330	2,393,340,301	0.000121	0.000139	280,545	35,258	315,803	16,137	3,309	7,023	28,469
Tooele County - Local A & C	2,054,167,631	264,386,791	178,866,451	2,139,687,971	253,652,330	-	253,652,330	2,393,340,301	0.000318	0.000320	680,421	81,169	761,590	42,411	8,679	7,146	58,236
Southern Special Service District	-	-	-	-	-	-	-	-	0.000000	0.000000	-	-	-	-	-	-	-
Tooele Judgment	-	-	-	-	-	-	-	-	0.000000	0.000000	-	-	-	-	-	-	-
Grantsville Judgment	-	-	-	-	-	-	-	-	0.000000	0.000000	-	-	-	-	-	-	-
Wendover Judgment	-	-	-	-	-	-	-	-	0.000000	0.000000	-	-	-	-	-	-	-
Stockton Judgment	-	-	-	-	-	-	-	-	0.000000	0.000000	-	-	-	-	-	-	-
County Judgment	-	-	-	-	-	-	-	-	0.000000	0.000000	-	-	-	-	-	-	-
Hospital Judgment	-	-	-	-	-	-	-	-	0.000000	0.000000	-	-	-	-	-	-	-
Mosquito Judgment	-	-	-	-	-	-	-	-	0.000000	0.000000	-	-	-	-	-	-	-
NTCCFD Judgment	-	-	-	-	-	-	-	-	0.000000	0.000000	-	-	-	-	-	-	-
Tooele RDA	-	-	-	-	-	-	-	-	0.000000	0.000000	-	-	-	-	-	-	-
County RDA	-	-	-	-	-	-	-	-	0.000000	0.000000	-	-	-	-	-	-	-
Hospital RDA	-	-	-	-	-	-	-	-	0.000000	0.000000	-	-	-	-	-	-	-
Schools RDA	-	-	-	-	-	-	-	-	0.000000	0.000000	-	-	-	-	-	-	-
Debt Service RDA	-	-	-	-	-	-	-	-	0.000000	0.000000	-	-	-	-	-	-	-
County A&C RDA	-	-	-	-	-	-	-	-	0.000000	0.000000	-	-	-	-	-	-	-
Tooele RDA Judgment	-	-	-	-	-	-	-	-	0.000000	0.000000	-	-	-	-	-	-	-
County RDA Judgment	-	-	-	-	-	-	-	-	0.000000	0.000000	-	-	-	-	-	-	-
Totals	\$ 14,136,504,911	\$ 1,668,090,335	\$ 964,790,161	\$ 14,839,805,085	\$ 1,684,092,866	\$ -	\$ 1,684,092,866	\$ 16,503,897,951	\$ 2,983,763	\$ 2,993,763	\$ 24,453,215	\$ 321,102	\$ 27,436,977	\$ 1,525,464	\$ 404,092	\$ -	\$ 2,250,658

TOOELE COUNTY

Schedule of Taxable Values, Taxes Charged, and Taxes Collected (Continued)
For the Year Ended December 31, 2007

Taxing Unit	Taxes Collected	Collection Rate	Fee in Lieu	Misc. Collection	Other Collections			Total Other Collections	Total Collections
					Tax	Delinquencies			
						Interest/ Penalty			
Tooele City	\$ 2,044,072	89.55%	\$ 389,486	\$ 40,390	\$ -	\$ 382	\$ 430,258	\$ 2,474,330	
Grantsville City	649,386	91.74%	133,812	14,468	-	209	148,489	797,875	
Wendover City	160,429	91.76%	18,319	1,340	-	16	19,675	180,104	
Stockton Town	45,106	86.92%	18,418	421	-	13	18,852	63,958	
Vernon Town	5,675	91.09%	1,645	50	-	2	1,697	7,372	
Lakepoint Improvement District	9,486	95.27%	1,449	390	-	1	1,840	11,326	
Stansbury Park Improvement District	28,583	94.98%	4,718	1,047	-	5	5,770	34,353	
Ophir Town	548	94.64%	57	5	-	-	62	610	
Rush Valley Town	14,909	92.94%	3,936	203	-	13	4,152	19,061	
Tooele County	1,611,980	92.52%	241,279	35,686	-	18,258	295,223	1,907,203	
Tooele County Hospital Special Service	-	0.00%	-	-	-	-	-	-	
Tooele County School District - Basic	2,899,674	90.92%	439,940	65,834	-	1,460	507,234	3,406,908	
Tooele Valley Mosquito Abatement District	209,250	90.25%	29,877	6,492	-	53	36,422	245,672	
Stansbury Greenbelt Service Area	249,574	95.42%	42,258	4,016	-	44	46,318	295,892	
Stansbury Recreation Service Area	249,834	95.24%	42,302	4,286	-	44	46,632	296,466	
No. Tooele County Fire Service District	260,469	95.21%	24,330	7,225	-	197	31,752	292,221	
West Erda Improvement District	-	0.00%	-	-	-	-	-	-	
Rush Valley Water Conservancy District	4,864	93.23%	791	63	-	3	857	5,721	
Lakepoint Cemetery and Park Service Area	22,963	95.57%	3,512	500	-	2	4,014	26,977	
No. Tooele City Special Service District	23,025	91.43%	1,412	191	-	3	1,606	24,631	
Saddleback Special	-	0.00%	-	-	-	-	-	-	
Tooele County School District - Local	15,703,805	92.03%	2,382,590	343,663	-	7,905	2,734,158	18,437,963	
Tooele County - Statewide A & C	289,334	91.62%	40,642	6,236	-	135	47,013	336,347	
Tooele County - Local A & C	703,354	92.35%	106,713	15,227	-	354	122,294	825,648	
Southern Special Service District	-	0.00%	-	-	-	-	-	-	
Tooele Judgment	-	0.00%	-	-	-	-	-	-	
Grantsville Judgment	-	0.00%	-	-	-	-	-	-	
Wendover Judgment	-	0.00%	-	-	-	-	-	-	
Stockton Judgment	-	0.00%	-	-	-	-	-	-	
County Judgment	-	0.00%	-	-	-	-	-	-	
Hospital Judgment	-	0.00%	-	-	-	-	-	-	
Mosquito Judgment	-	0.00%	-	-	-	-	-	-	
NTCFPD Judgment	-	0.00%	-	-	-	-	-	-	
Tooele RDA	-	0.00%	-	-	-	-	-	-	
County RDA	-	0.00%	-	-	-	-	-	-	
Hospital RDA	-	0.00%	-	-	-	-	-	-	
Schools RDA	-	0.00%	-	-	-	-	-	-	
Debt Service RDA	-	0.00%	-	-	-	-	-	-	
County A&C RDA	-	0.00%	-	-	-	-	-	-	
Tooele RDA Judgment	-	0.00%	-	-	-	-	-	-	
County RDA Judgment	-	0.00%	-	-	-	-	-	-	
Totals	\$ 25,186,319		\$ 3,927,486	\$ 547,733	\$ -	\$ 29,099	\$ 4,504,318	\$ 29,690,637	

TOOELE COUNTY

Schedule of Transient Room Tax Revenue and Expenditures For the Year Ended December 31, 2007

Transient Room Tax

Establishing and promoting:

Recreation

Tourism

Film production

Conventions

\$ 232,832

Acquiring, leasing, constructing, furnishing, or operating:

Convention meeting rooms

Exhibit halls

Visitor information centers

Museums

Related facilities

Acquiring or leasing land required for or related to:

Convention meeting rooms

Exhibit halls

Visitor information centers

Museums

Related facilities

Mitigation costs

Payment of principal, interest, premiums, and reserves on bonds

-

Total revenue

\$ 232,832

Tourism, Recreation, Culture, and Convention Facilities Taxes

Financing tourism promotion

\$ 194,647

Development, operation, and maintenance of:

Tourist facilities

Recreation facilities

Cultural facilities

Pledges as security for evidence of indebtedness

Reserves and Pledges

Reserves on bonds related to TRT funds

Pledges as security for evidences of indebtedness related to TRCC

-

Total expenditures

\$ 194,647

TOOELE COUNTY
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2007

Federal Grantor / Pass Through Grantor Program Title	Federal CFDA Number	Pass-Thru Grantor's Number	Expenditures
<u>U.S. Department of Justice</u>			
Passed through Utah State Attorney General:			
Children's Justice Grants to States	93.643	070569	\$ 144,814
Passed through State Comm. on Criminal & Juvenile Justice:			
Crime Victims Assistance - VOCA	16.575	2007-VOCA-44	18,096
Violence Against Women Formula Grants - VAWA	16.588	2007-VAWA-34	17,440
<u>U.S. Department of Interior</u>			
Forest Reserve Allocation	N/A		35,295
BLM Weed Grant	15.652	JSP082054	7,500
Save America's Treasures Grant	15.929		68,015
<u>Federal Emergency Management Agency</u>			
Passed through State Department of Public Safety:			
C.S.E.P.P./Medical Grant	97.040	07-UT-TOO-000243	3,492,061
Emergency Management Performance Grant	97.042		110,054
<u>Federal Aviation Administration</u>			
Passed through State Department of Transportation:			
F.A.A. 2005 Entitlement - Airport Improvement Program	20.106	DOT-FA05NM-1068	66,511
<u>U.S. Department of Homeland Security</u>			
State Domestic Preparedness Equipment Support Program - 2006	97.004		24,380
Community Emergency Response Teams (C.E.R.T.)	97.054		(465)
<u>U.S. Department of Natural Resources</u>			
Fire Department Assistance	97.044		5,664
<u>U.S. Department of Agriculture</u>			
Passed through Utah Department of Health:			
*Women, Infants and Children - Administration	10.557	070932	433,605
*Women, Infants and Children - Food	10.557	070932	869,246
Elderly Feeding Program	10.550		44,406

*Major Program

TOOELE COUNTY
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2007

Federal Grantor / Pass Through Grantor Program Title	Federal CFDA Number	Pass-Thru Grantor's Number	Expenditures
<u>Community Development Block Grant</u>			
Community Development Block Grant - JC Penney Bldg.	14.228	B-07-DC-49-0001	100,000
Community Development Block Grant - Misc. Dental - CDBG	14.228	B-07-DC-49-0001	45,070
<u>Health Care Finance Administration</u>			
Health Insurance Counseling	93.779		9,982
<u>U.S. Department of Health and Human Services</u>			
Passed through State Department of Health:			
MCH Block Grant	93.994	070112	107,118
General Health Services	93.991	062172	218,776
Utah Cancer Control Program	93.919	062154	18,921
STD Culture and Investigation	93.977	061641	8,952
*Immunization Program	93.268	072397	165,680
T.B. Medication Program	93.116	061641	9,342
LHD=ChEC	93.778	070710	20,258
Diabetes Today	93.988	062154	7,943
*Comprehensive Tobacco Program	93.283	062154	62,807
*Bioterrorism Training Curriculum Development Program	93.283	071327	209,408
Medical Reserve Corps Small Grant Program	93.889	071553	26,622
*Public Health Emergency Preparedness - Pandemic Flu	93.283	071327	64,469
Choice of Health Care Delivery, Consumer Ed. & Assist.	93.778	070710	43,929
Heart Disease	93.991	062154	61,913
MCH Injury Prevention	93.994	062154	24,569
Child Injury Prevention	93.994	062154	9,906
Abstinence Education	93.235	070112	70,453
Child Adolescence School Health - Home Visiting	93.994	070112	10,282
Capitalizat. Grants for Drinking Water State Revolv. Funds - Environ. Serv.	66.468	062172	181,707
HIV Aids Counseling and Education	93.940	061641	5,496
Indoor Clean Air	N/A	062172	1,484
*Tobacco Prevention and Control - Compliance	93.283	062154	79,400
Early Childhood Development Program	93.778	071901	53,178
*Skin Cancer	93.283	062154	4,000
*Preventive Health Services - Immunization Grant - Vaccines	93.268		190,388
Passed through State Department of Human Services:			
*Block Grants for Prevention and Treatment of Substance Abuse	93.959	05-2367	396,256
Safe & Drug-Free Schools & Communities - State Grants	84.186B	05-2367	10,885
Social Services Block Grant	93.667	585	54,682
Title III, B Supportive Services & Seniors	93.044		31,733
Title III, C Nutrition Services	93.045		215,203
Title III-E Caregiver Support	93.		20,187
Title III, PT F Disease Prevention and Promotion Services	93.043		7,236
Title VII, Long-Term Care Ombudsman Services for Older Individuals	93.042		8,656
Total Expenditures of Federal Awards			\$ 7,893,513

*Major Program

TOOELE COUNTY

Notes to Schedule of Expenditures of Federal Awards

1. SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditures of Federal Awards is a summary of activities related to the County's expenditure of federal awards. The schedule has been prepared on the accrual basis of accounting, as contemplated by generally accepted accounting principles. Most of the awards are reimbursement based. Therefore, as expenditures of federal funds are made, revenue is recognized.

2. ACCOUNTS RECEIVABLE

The financial statements include accounts receivable from federal programs. These receivables are recorded according to the same basis of accounting as the financial statements. The receivables reflect federal awards that have been expended by year end and not yet reimbursed.

TOOELE COUNTY
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2007

A SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unqualified opinion on the financial statements of Tooele County.
2. No significant deficiencies were disclosed during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of Tooele County were disclosed during the audit.
4. No significant deficiencies were disclosed during the audit of the major federal award programs.
5. The auditors' report on compliance for the major federal award programs for Tooele County express an unqualified opinion.
6. Audit findings relative to the major federal award programs for Tooele County are reported in Part C of this schedule.
7. The programs tested as major programs include:

Supplemental Nutrition for Women, Infants, and Children (WIC)	10.557
Immunization Grants	93.268
Tobacco Programs, Bioterrorism, and Pandemic Flu	93.283
Block Grants for Prevention and Treatment of Substance Abuse	93.959
8. The threshold for distinguishing Types A and B programs was \$300,000.
9. Tooele County was determined to be a low-risk auditee.

B FINDINGS - FINANCIAL STATEMENTS AUDIT

None

C FINDINGS AND QUESTIONED COSTS - MAJOR AWARD PROGRAMS

None



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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Honorable Board of County Commissioners
Tooele County, State of Utah

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of **Tooele County, State of Utah (the County)** as of and for the year ended December 31, 2007, which collectively comprise the County's basic financial statements and have issued our report thereon dated September 18, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

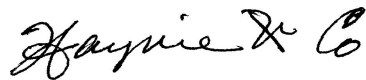
Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of Tooele County in a separate letter dated September 18, 2008.

This report is intended solely for the information and use of management, others within the organization, the County Commission, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script, reading "Haynie & Co".

Salt Lake City, Utah
September 18, 2008



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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133**

Honorable Board of County Commissioners
Tooele County, State of Utah

Compliance

We have audited the compliance of **Tooele County, State of Utah (the County)** with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2007. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the comptroller General of the United States; and *OMB Circular A-133, Audits of States, Local Governments, and Non-profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2007.

Internal Control Over Compliance

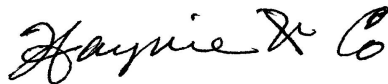
The management of the County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, others within the organization, the County Commission, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script, reading "Haynie & Co".

Salt Lake City, Utah
September 18, 2008



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**REPORT ON LEGAL COMPLIANCE APPLICABLE
TO UTAH STATE LAWS AND REGULATIONS**

Honorable Board of County Commissioners
Tooele County, State of Utah

We have audited the basic financial statements of **Tooele County, State of Utah** (the County) for the year ended December 31, 2007 and have issued our report thereon dated September 18, 2008. As part of our audit, we have audited **Tooele County, State of Utah's** compliance with the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; and special tests and provisions applicable to each of its major State assistance programs as required by the State of Utah's *Legal Compliance Audit Guide* for the year ended December 31, 2007. The County received the following major State assistance programs from the State of Utah:

B & C Road Funds (Department of Transportation)
Liquor Law Enforcement (State Tax Commission)
General Health (Department of Health)

The County also received the following nonmajor grants, which are not required to be audited for specific compliance requirements. However, these programs were subject to test work as part of the audit of **Tooele County, State of Utah's** financial statements:

Tobacco Free Utah (Department of Health)
Cancer Screening (Department of Health)
Sexually Transmitted Diseases (Department of Health)
Public Health Computer Network (Department of Health)
Cancer Control (Department of Health)
Infant Development (Department of Health)

Our audit also included test work on the County's compliance with those general compliance requirements identified in the State of Utah *Legal Compliance Audit Guide*, including:

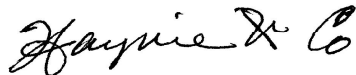
Public Debt
Cash Management
Purchasing Requirements
Budgetary Compliance
Truth in Taxation and Property Tax Limitations
Liquor Law Enforcement
Justice Courts Compliance
B & C Road Funds
Special Districts
Other General Compliance Issues
Uniform Building Code Standards
Statement of Taxes Charged, Collected, and Disbursed
Assessing and Collecting of Property Taxes
Transient Room Tax
Impact Fees
Asset Forfeiture

The management of **Tooele County, State of Utah** is responsible for the County's compliance with all compliance requirements identified above. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our audit procedures disclosed immaterial instances of noncompliance with the requirements referred to above, which are described in the accompanying Schedule of Findings. We considered these instances of noncompliance in forming our opinion on compliance, which is expressed in the following paragraph.

In our opinion, **Tooele County, State of Utah** complied, in all material respects, with the general compliance requirements identified above and the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; and special tests and provisions that are applicable to each of its major State assistance programs for the year ended December 31, 2007.

A handwritten signature in cursive script, appearing to read "Haynie & Co.", written in dark ink.

Salt Lake City, Utah
September 18, 2008

TOOELE COUNTY
Schedule of Findings - Compliance - State of Utah
For the Year Ended December 31, 2007

CURRENT YEAR FINDINGS

Statement of Condition - 07-1:

The unclaimed property report was not prepared and submitted to the State Treasurer's Office, Division of Unclaimed Property.

Criteria

Per *Utah Code* 67-4a-210 and 301, a government entity holding property for more than one year after the property became payable or distributable must report and remit the property to the State Treasurer's Office, Division of Unclaimed Property, by May 1 for the calendar year ended December 31.

Cause

The County has not gone through the unclaimed property list to ensure that the items were properly included on the report and remitted to the State Treasurer's Office, Division of Unclaimed Property.

Effect

The County is not in compliance with State law.

Recommendation:

We recommend that the County remit the unclaimed property report to the State Treasurer's Office, Division of Unclaimed Property.

Response:

We concur with the auditors' recommendations and will remit the unclaimed property report to the State Treasurer's Office, Division of Unclaimed Property.

Statement of Condition - 07-2:

The time and place of the hearing to adopt the budget was not published seven days prior to the hearing.

Criteria

Section 17-36 of the *Utah Code* requires each County to publish notice of the time and place of the hearing to adopt the budget at least seven days prior to the hearing in at least one issue of a newspaper within the County in which the entity is located.

Cause

The County did not publish the notice for the sufficient time.

Effect

The County is not in compliance with State law.

Recommendation:

We recommend that the County publish the notice at least seven days prior to the hearing.

Response:

We concur with the recommendation and will establish procedures to comply.

TOOELE COUNTY
Schedule of Findings - Compliance - State of Utah
For the Year Ended December 31, 2007

Statement of Condition - 07-3:

The amount remitted to the State for marriage licenses issued during the year was less than the required amount.

Criteria

Section 17-16-21(2)(c) and 63-63a-8(4) of the *Utah Code* require the County to collect a fee of \$10 for each marriage license issued and remit it to the State Administrative Office of the Courts.

Cause

The County did not properly calculate the marriage licenses issued and the fee amount to be remitted.

Effect

The County is not in compliance with State law.

Recommendation:

We recommend that the proper amount be remitted to the State each year.

Response:

We concur with the recommendation and will establish procedures to comply.

PRIOR YEAR FINDINGS

The County had similar conditions related to the 3-day banking requirement at the Sheriff's Office; the unclaimed property report not being prepared and submitted to the State Treasurer's Office, Division of Unclaimed Property; the Justice Court funds not being remitted to the Utah State Treasurer on or before the 10th day of the month following collection; and the County Treasurer, due to receiving the County Assessor's report late, not disbursing all tax monies collected during the preceding month to the appropriate taxing entities by the tenth day of the following month, in 2006.